

ANNUAL REPORT 2024

INNOVATING FOR SUSTAINABLE STAKEHOLDER VALUE



NIC HOLDINGS LTD

WHO WE ARE

Our company, NIC Holdings Limited (NIC), was established in 1964 as a wholly owned Government parastatal then known as National Insurance Corporation, the leading provider of insurance and financial services in Uganda. In 2005, NIC was privatized with the continental insurance giant, Industrial and General Insurance Plc (IGI) acquiring majority (60%) stake through its special purpose vehicle, Corporate Holdings Limited.

In 2010, the balance 40% shares retained by government after privatisation, was sold to the public in an IPO process and the company was listed on the Uganda Securities Exchange becoming the only insurance company in Uganda to be listed on the USE.

In 2014, pursuant to the Insurance (Amendment) Act which required composite insurance companies to separate their insurance services under different entities for life and nonlife insurance services, the company was restructured and re-branded into an insurance group - a holding company and two virile wholly owned insurance subsidiaries, NIC General Insurance Company Limited (NIC General) and NIC Life Assurance Company Limited (NIC Life).

Both NIC General and NIC Life have maintained the group's decades-old reputation for excellence in service delivery.

Our Vision

Be the Preferred Provider of Insurance, Risk Management and Financial Services.

Mission

Create, Preserve and Protect Wealth.

Values

- Teamwork
- Reliability
- Innovativeness
- Integrity



1964

Established as a wholly owned Government parastatal

2005

Privatized with Industrial and General Insurance Plc (IGI), acquiring 60% stake

2010

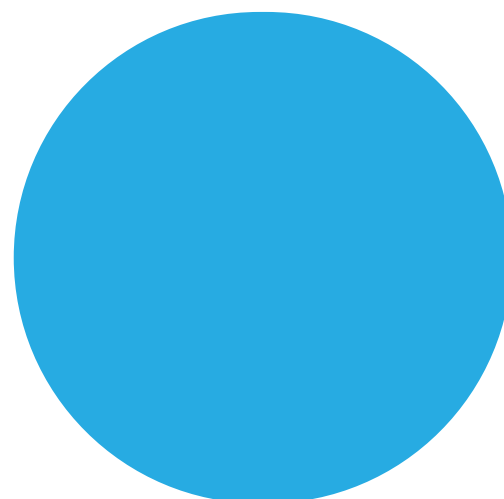
Balance 40% shares retained by government after privatisation

2014

Restructured and re-branded into an insurance group

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CORPORATE INFORMATION



DIRECTORS

Dr. Alan Shonubi*	Chairman
Charles Tukacungurwa*	Director
Ketra A. Tukuratire (Mrs.)*	Director
AVM Walter Ogujiofor**	Director
Kabir Tukur***	Director
Bayo Folayan***	Director
Akinlolu Akinyele***	Director
Elias Edu***	Managing Director

* Ugandan 

** American 

*** Nigerian 



BOARD SECRETARY

Samuel Iloabuchi***
Plot 3 Pilkington Road
P. O. Box 7134
Kampala, Uganda



REGISTERED OFFICE

NIC Building
Plot 3 Pilkington Road
P. O. Box 7134
Kampala, Uganda



AUDITORS

BDO East Africa
Certified Public Accountant of Uganda
6th Floor,Block C
Nakawa Business Park
Plot 3-5 New Portbell Road, Nakawa
P. O. Box 9113
Kampala,Uganda
www.bdo-ea.com



MAJOR BANKERS

United Bank of Africa Uganda Limited

Plot 2 Jinja Road,

P. O. Box 7396

Kampala, Uganda

Guaranty Trust Bank Uganda Ltd

Plot 56 Kiira Road

P. O. Box 7323

Kampala, Uganda

Post Bank Uganda Limited

Plot 4/6 Nkurumah Road

Kampala, Uganda

Bank of Baroda Uganda Limited

Kampala Road

P.O. Box 7197

Kampala, Uganda

Stanbic Bank Uganda Limited

Kampala Road

P.O. Box 973

Kampala, Uganda



SOLICITORS

KTA Advocates

Floor 3, Plot 4 Hannington

Road, P.O. Box 37366,

Kampala, Uganda



CONSULTING ACTUARIES

Zamara Actuaries, Administrators and Consultants Limited

10th Floor, Landmark Plaza, Argwings Kodhek Road,

Opp. Nairobi Hospital,

P.O. Box 52439, City Square,

Nairobi, Kenya

NOTICE OF THE 24TH ANNUAL GENERAL MEETING



24TH VIRTUAL ANNUAL GENERAL MEETING OF NIC HOLDINGS LIMITED TO BE HELD ON THURSDAY, 26TH JUNE, 2025 AT 2.00PM

NOTICE IS HEREBY GIVEN that the 24th virtual Annual General Meeting of NIC Holdings Limited (“the Company”) will be held on **Thursday, 26th June, 2025 at 2.00 pm** prompt to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members the financial statements for the year ended 31st December 2024 together with the reports of the Directors thereon.
2. To re-elect or elect Directors in place of the following Directors who shall be retiring by rotation:
 - (a) Dr. Alan Shonubi (Chairman) as Independent Non-Executive Director
 - (b) AVM Walter Ogujiofor (Rtd) as Non-Executive Director
3. To ratify the following Board appointments:
 - (a) Mr. Akinlolu Akinyele as Non-Executive Director
 - (b) Mr. Bayo Folayan (former Managing Director) as Non-Executive Director
 - (c) Mr. Elias Edu (former Company Secretary) as Managing Director
4. To re-appoint Messrs. BDO East Africa Certified Public Accountants, as external auditors of the Company for the year ending 31st December, 2025 and to authorize Directors to determine their remuneration.

SPECIAL BUSINESS

5. To approve the remuneration of Directors.

Dated this 30th day of April, 2025

BY ORDER OF THE BOARD

**ELIAS EDU, ESQ.
COMPANY SECRETARY**

NOTES:

- i) The Board of Directors has approved that the 24th Annual General Meeting of the Company shall be convened virtually in line with Article 33, Articles of Association of the Company.
- ii) Any shareholder wishing to participate in the meeting should register for the Annual General Meeting (AGM) by dialing *284*51# (Uganda networks) and *483*493# (Kenya networks) on their mobile telephones and following the various prompts until they are registered to attend. To be registered for the AGM, shareholders may also send email to nicagm@image.co.ke. A shareholder/proxy will require the ID/Passport number which was used to purchase shares and/or their SCD Account number. A link to the registration portal shall also be emailed to every shareholder using the email addresses or sent by sms to the telephone numbers already registered in the database of the Company and/or its Registrars. For assistance, shareholders should call the following helplines (256 762 260 804/+256 758 336 660) between 9.00 am and 5.00pm EAT Monday to Friday or send email to nicagm@image.co.ke; eedu@nic.co.ug.
- iii) Registration for the AGM opens on 30th May, 2025 and will close on 24th June, 2025 at 5.00pm (Kampala time).

iv) All shareholders and proxies who have successfully registered to attend the AGM will be able to follow the meeting proceedings and participate using the live stream platform.

v) By registering to attend the virtual AGM, shareholders consent to receive all messages about the meeting.

vi) Shareholders are encouraged to update their contact details on the register. For assistance in this regard, shareholders may contact the Company's share registrar, SCD Registrars on telephones +256-312-370815/17/18 and / or email: registry@use.or.ug

vii) **PROXY**

(a) A Member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not also be a Member. For the appointment to be valid, a completed proxy form must be deposited or emailed to the Company Secretary, NIC Holdings Limited, Plot 3 Pilkington Road, P. O. Box 7134, Kampala, Uganda (Email: eedu@nic.co.ug), not less than 48 hours before the time fixed for holding the meeting.

(b) The Proxy form and other documents for the AGM may be downloaded from the Company's website www.nic.co.ug.

viii) **DIVIDEND**

The Board of Directors has not recommended dividend in the year ended 31st December, 2024.

ix) **RIGHTS ISSUE**

At the 21st AGM held on 14th July, 2022 shareholders approved the resolution authorizing the directors to increase the Company's paid-up share capital from Ushs 10,618,347,885/- to any amount up to Ushs 30,226,191,025/-. However, the Rights Issue process, which effectively commenced in October, 2022 with the appointment of Messrs Crested Capital as lead transaction adviser, could not be concluded last year due to the delayed completion of the 2023 audited financial statements as a result of the implementation of IFRS 17 standard by the subsidiaries. A separate announcement on the Rights Issue process would be issued in due course. In the meantime, and to underscore its readiness to take up its rights shares when offered, the majority shareholder has deposited a total sum of Ushs 1,075,000,000 (One Billion, Seventy-Five Million Uganda Shillings) as at 31st December, 2024 which is reflected in the books of accounts as deposit for shares.

x) **GENERAL INFORMATION**

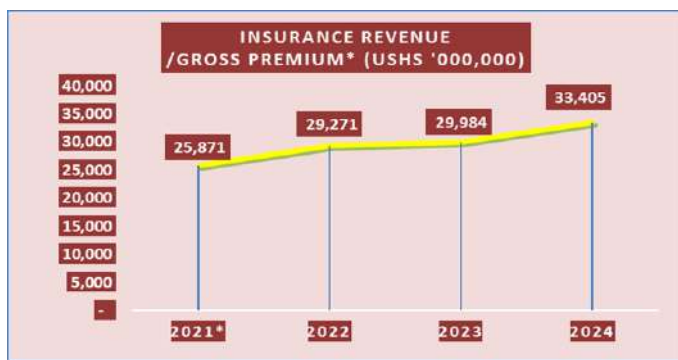
(a) The Notice of the AGM, annual report, and proxy form will be uploaded on the Company website, www.nic.co.ug. The reports will also be accessible via the live stream link or the USSD codes for the AGM.

(b) Before or during the meeting, shareholders will receive an SMS prompt with instructions on their registered mobile phone numbers, alerting them to propose and second resolutions.

(c) For general enquiries including any question regarding dividend payments, shareholders are please requested to call the Company Secretary on +256417119900 or send email to nic@nic.co.ug.

(d) Shareholders who have not done so are advised to open Securities Central Depository (SCD) accounts through any registered stockbroker to fully participate in share transactions.

FINANCIALS AT A GLANCE



The group's Insurance Revenue for the year increased by 11% to Ushs 33.41 billion from Ushs 29.98 billion earned in 2023.

The General Business segments recorded 9% growth in insurance revenue for the year, while the Longterm Business recorded a growth of 59% in insurance revenue.



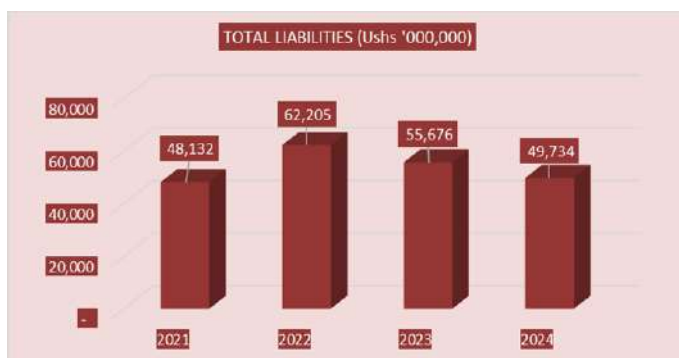
Investment and interest income decreased by 19% from Ushs 4.91 billion earned in 2023 to Ushs 3.99 billion in 2024. This was due to a decrease in interest earned in the year under review as a result of reduction in average amount invested in financial assets at amortised cost.



The Total Assets of the group decreased by 5% in 2024 due to decreases in cash and cash equivalents, financial assets through profit or loss (quoted equities), financial assets through other comprehensive income (unquoted equities) and reversal from reinsurance contract assets held to reinsurance contract liabilities during the year.



Total investment assets decreased by 2% to Ushs 75.45 billion in 2024 from Ushs 77.28 billion in 2023 as a result of substantial decrease in both financial assets through profit or loss (quoted equities) and financial assets through other comprehensive income (unquoted shares) during the year.



The group's Total Liabilities decreased by 10.7% in 2024 to Ushs 49.73 billion from Ushs 55.68 billion in 2023 mainly driven by substantial decrease in both insurance contract liabilities and deferred tax liabilities in the year under review.



The Net Assets (Shareholders' Fund) of the Group increased by 2% in 2024 to Ushs 41.70 billion from Ushs 40.89 billion in 2023 due to total comprehensive income of Ushs 318 million recorded in the year as against total comprehensive loss of Ushs 2.03 billion recorded in 2023.

CHAIRMAN'S STATEMENT



Insurance revenue grew by 11.4 percent from Ushs 29.98 billion in 2023 to Ushs 33.40 billion in the year under review.

Dr. Alan Shonubi
Chairman

Eminent Members of the Board of Directors, Distinguished Shareholders, Valued Customers and Stakeholders of NIC Ladies and Gentlemen I am delighted to warmly welcome the esteemed Board of Directors, our shareholders and other stakeholders to the Virtual 24th Annual General Meeting (AGM) of our company, NIC Holdings Limited. It is also my pleasure to present to you our company's Annual Report and Consolidated Financial statements for the year ended 31st December 2024.

Against the backdrop of the less than desired results recorded in 2023, it is pleasing to report that your company returned to the path of profitability in the year under review. The company leveraged on its acclaimed business resilience, new product development initiatives and sustained digitalization of its operations and processes to achieve an impressive overall success in 2024.

Before I present the details of the performance of your company in 2024, permit me to give an overview of the key and relevant developments in the operating environment during the year under review.

THE GLOBAL ECONOMY

The global economy recorded an average GDP growth rate of 3.2 percent in 2024, representing a slight increase from the actual growth rate of 2.8 percent in 2023, according to the International Monetary Fund (IMF). The increase resulted from gradual stabilization and adjustment by the global economy to high interest rates and supply chain disruptions of recent years. In addition, growth was supported by the fall in inflation at a rate faster than expected in many regions, thus allowing central banks in many advanced economies to implement interest rate cuts after a long period of hikes. Other factors that boosted growth include improved consumer demand and income growth which provided a steady foundation for economic activity, as well as the swift interventions by authorities, particularly in the United States and Switzerland, to stabilize the financial system amid stresses in the banking sector.

The United States economy, according to the US Bureau of Economic Analysis, grew by 2.8 percent in 2024 up from the Real GDP increase of 2.5 percent achieved in 2023. The growth was driven by increases in exports, consumer spending, government spending and investments. Real Gross Domestic Income (GDI) increased by 3.0 percent up from 1.7 percent in 2023 while Corporate Profits rose by \$281.3 billion last year compared to the \$229.8 billion increase in the previous year. The Bureau described 2024 as a year of moderate but steady economic expansion for the US supported by robust consumer activity and government spending but with some decrease in investment activity towards the end of the year.

In China, the economy grew by 5.0 percent in 2024 representing a slight decrease from the GDP growth of 5.4 percent recorded in 2023. The achieved growth met the Chinese government's target for the year and reflected a stable recovery amid various challenges. With the economy's GDP value reaching approximately US\$18.80 trillion, China maintained its position as the world's second-largest economy. The manufacturing sector grew by 6.1 percent with high-tech production expanding by 8.9 percent, underlining China's strategic focus on technological advancement. However, the Chinese economy faced demographic pressures for the third consecutive year, with the working-age population shrinking to 60.9 percent of the population and those aged 65 and above increasing to 15.6 percent – a shift that threatens labour supply.

Europe's economic performance showed modest overall growth in 2024 as the EU recorded a growth expansion of 1.0 percent during the year, an improvement from the 0.4 percent growth achieved in 2023. The German economy contracted by 0.2 percent in 2024, weighed down by productivity challenges and weak industrial output. This represented the second consecutive year of negative growth following the 0.3 percent decline recorded in 2023. France's economy, on the other hand, grew by only 1.1 percent in the year under review helped largely by public consumption and public investment. The economy faced the typical post-Olympic slowdown after the boost from the 2024 Paris Olympics and Paralympic Games.

As emerging markets navigated myriad challenges, including currency fluctuations, Africa's economy continued on its recovery trajectory in 2024, according to the African Development Bank (ADB). The overall real GDP growth for the continent rose to 3.7 percent in 2024 up from the 3.1 percent growth achieved in 2023 as several countries, including Uganda, recorded robust growth rates. With a growth rate which exceeded the global regional average of 3.2 percent for the year, Africa became the second fastest growing region after Asia.

For the second consecutive year, East Africa region led the continent with a GDP growth rate of 5.4 percent. This represents a robust increase over the growth rate of 1.5 percent posted by the region in 2023. The key drivers of growth in the region include increased infrastructure investments and intra-regional trade as well as strong recoveries in key sectors such as mining, energy, agriculture and manufacturing. The Southern Africa and West African regions posted moderate growth increases averaging about 0.6 percent while growth slowed in North Africa dropping from 4.1 percent in 2023 to 3.6 percent last year.

For the Central African region, a somewhat stagnant growth rate was reported for 2024 with the region maintaining the same 1.0 percent growth expansion rate it recorded in 2023.

THE DOMESTIC ECONOMY

For the second consecutive year, the Ugandan economy demonstrated robust and stable growth as it achieved a Gross Domestic Product (GDP) growth of 6.0 percent in the 2023/2024 financial year, up from the 5.3 percent expansion it posted in the 2022/2023 period, according to the Bank of Uganda (BOU). The growth was driven by strong domestic spending, increased foreign direct investment (FDI) in the extractive industries and strategic government initiatives such as infrastructure development projects and the Parish Development Model. Agriculture also contributed significantly to the growth expanding by 8.7 percent in the third quarter of the year compared to 4.9 percent in the same period in 2023.

According to the BOU, Uganda has maintained one of the lowest and most stable inflation rates in Africa, averaging about 4.0 percent in the last decade. In 2024, headline inflation declined significantly to around 3.2 percent, from 8.8 percent in the previous year. Core inflation followed the same direction, dropping to 3.0 percent last year from 7.4 percent in 2023. The positive trend reflects the decline in food prices arising from favourable weather conditions and stringent monetary policy that curbed overall demand and enhanced the stability of the Ugandan shilling. The stable inflation environment protected household purchasing power and boosted investor confidence.



The services sector, boosted by resurgence in trade and real estate operations, grew by 6.6 percent in 2024, an increase from the 5.9 percent expansion in the previous year. The industrial sector also witnessed a notable growth, increasing from 4.0 percent in 2023 to 5.8 percent last year, with manufacturing and construction activities being the key drivers of growth in the sector. Growth in agricultural rose to 5.1 percent from 4.5 percent in 2023 with significant contribution from the cash crops and livestock subsectors.

Uganda recorded an overall Balance of Payments (BOP) deficit of USD 1,115.4 million in the 2023/2024 Financial Year, deteriorating from the USD 50.4 million in the previous financial year. The BOU attributed the decline to the significant expansion in the current account deficit. However, the Ugandan Shilling remained relatively stable against the US Dollar throughout the period under review, depreciating by only 0.6 percent to an average rate of 3,776.6 per US Dollar last year from 3,754.1 per US Dollar in 2022/2023 financial year.

THE INSURANCE INDUSTRY

The Ugandan insurance industry sustained its momentum of robust growth and resilience by posting an impressive 12.04 percent growth in Gross Written Premium (GWP) in 2024, according to the Insurance Regulatory Authority (IRA). The IRA announced that the industry GWP rose to Ushs 1.79 trillion in 2024 against Ushs 1.60 trillion posted in 2023. The regulator attributed the increase to improved consumer awareness, innovations targeted at expanding coverage and improving service delivery and robust regulatory support.

With 54.53 percent, Non-life insurance business had the largest market share as it grew modestly by 4.5 percent, contributing Ushs 976 billion of the 2024 GWP up from Ushs 932 billion in 2023. With 15.2 percent of the non-life premiums, Fire Insurance recorded the biggest growth in the segment. Life Insurance business expanded by 22.47 percent in 2024, up from 21.9 percent in 2023, and generated 38.14 percent of total premiums. The uptick reflects increasing public awareness and desirability for long term financial security. Health Maintenance Organizations (HMOs) also grew impressively in 2024, with a 24.01 percent increase in premiums and 3.52 percent of the market share.

With a 67.4 percent increase, growth in the Micro-insurance sector, the smallest segment, was even more remarkable, reflecting increased impact of financial inclusion efforts and buy-in of low-income earners.

According to the IRA, insurance penetration in the country rose marginally in 2024 to 0.883 percent from 0.867 percent the previous year while insurance density - the average spending on insurance per capita- rose from Ushs 34,931 to Ushs 39,011, an indication of improved consumer willingness to patronize and spend on insurance products and services. The industry regulator stressed the need for a robust regulatory framework, including the implementation of IFRS accounting standards and Risk-Based Capital requirements to ensure market solvency and protect policyholders.

OPERATING RESULTS

In 2024, NIC Holdings rebounded robustly from the less than optimal overall results in 2023 to post a moderately impressive overall group result. Insurance revenue grew by 11.4 percent from Ushs 29.98 billion in 2023 to Ushs 33.40 billion in the year under review.

NIC General posted a 9 percent growth in insurance revenue from Ushs 29.08 billion in 2023 to Ushs 31.68 billion in 2024 with the motor class of business contributing 40 percent of the premiums. The actual GWP of NIC General grew by 14% from Ushs 30.00 billion written in 2023 to Ushs 34.16 billion in current year (above the industry growth of 12.04%). NIC Life insurance business also increased significantly, growing the insurance revenue by 58.6 percent to Ushs 2.21 billion in the current year from Ushs 1.39 billion in 2023. The major contributor to growth was the individual life business, which increased in revenue exponentially from Ushs 327.31 million to Ushs 1.50 billion.

The group's Profit before tax (PBT) for the year ended 31 December 2024 improved from a loss before tax (LBT) Ushs 2.35 billion in 2023 to a PBT of Ushs 947.19 million driven by the improvement in insurance service results. Similarly, Profit after tax (PAT) increased from a LAT of Ushs 2.38 billion in 2023 to a PAT after tax of Ushs 477.20 million in 2024.

Shareholders' Funds increased marginally from Ushs 40.89 billion in 2023 to Ushs 41.70 billion last year due to the total comprehensive income of Ushs 318.25 million recorded in 2024 from a total comprehensive loss of Ushs 2.03 billion recorded in 2023, while Investment income dropped slightly from Ushs 2.86 billion in 2023 to Ushs 2.74 billion in 2024.

CORPORATE CITIZENSHIP

NIC Holdings strengthened its enduring reputation and image as a strong Corporate Citizen in 2024 by sustaining its decade-long partnership with Hospice Africa (Uganda). The partnership arrangement has provided the staff of NIC Holdings the platform to volunteer at Hospice offices and to run donation drives within that organization and the company's neighbouring community on the social media.

In addition, NIC Holdings has continued to maintain its relationship with sports sponsorship partners whilst also sustaining our cherished reputation as a key contributor to programmes and activities geared towards the overall progress and social well-being of the Ugandan society. Our sustained investment in sports is being rewarded by the positive impact sports continued to have in the lives of Uganda's youthful population. The Company's female Netball team were again crowned the East Africa Netball champions after winning East Africa Netball Club Championship held in May 2025 in Zanzibar for a record extending 28 times!

FUTURE PROSPECTS

According to World Bank projections, the Ugandan economy remains on a broadly positive growth trajectory with a GDP growth forecast of 6.2 percent for the 2024/2025 financial year, to be driven by impressive expansion in the services and industry sectors. On their part, both the African Development Bank and the Bank of Uganda (BOU) predict an economic expansion of 7.25 percent for the country in the same financial year boosted by stronger regional growth and increased investments in the oil sector – including wells and pipelines.

With such a bright and positive economic outlook combined with the efforts of the Insurance Consortium for Oil and Gas Uganda (ICOGU) to foster capacity building in the industry for the needs of the energy sector, NIC Holdings will leverage its robust expertise in big-ticket insurance to become a leading player in the insurance of the nation's oil and gas assets. We will continue to meet future challenges in the operating environment and achieve sustainable growth and value creation for our valued stakeholders by sharpening our competitive edge in service delivery and product innovation.

CONCLUSION

I hereby express my sincere appreciation and gratitude to our esteemed local and international clients, brokers, agents and field officers for their invaluable support and patronage in the past year.

My appreciation also goes to you, our esteemed shareholders, distinguished members of the Board of Directors and the Management and Staff of NIC Holdings Limited for your commitment and contributions to the growth of our company in 2024. We look forward to an even more profitable year in 2025 and beyond.

I thank you for attending this 24th Virtual Annual General Meeting of NIC Holdings Limited. May God bless you all and keep you safe. And may He continue to bless and prosper our company.



DR. ALAN SHONUBI
Chairman



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MANAGING DIRECTOR'S STATEMENT



Mr. Elias Edu, Managing Director



The group's overall performance during the year is as a result of the cumulative performance of the individual components comprising the Company and its insurance subsidiaries.

MANAGING DIRECTOR'S STATEMENT

Distinguished Shareholders and all stakeholders who support our business, It is with great pleasure that I welcome the participation of our valued shareholders at this 24th Annual General Meeting of the Company which is coming on the heels of the recent triumph of the NIC Netball team in the East Africa Championship. The team extended its dominance of female netball in East Africa winning the 2025 East Africa female netball championship by a record extending 28 times!

Kindly allow me to use this opportunity to congratulate them for a job well done!

This AGM is also being held after the recent changes at the helm of affairs of the Company with the retirement of Mr. Bayo Folayan, as Managing Director and my appointment in this position which I held briefly for two years in 2017. Please also allow me to thank Mr. Folayan for his meritorious 14 years' service as Managing Director of the Company and to wish him a well-deserved rest in his retirement. I also want to thank the Board of Directors for entrusting me with this responsibility to lead our group during this next pivotal growth phase. I hope to work in tandem with the great management team at NIC to achieve resounding success.

OPERATING ENVIRONMENT

Each year presents its own challenges and 2024 was not an exception. Even as the world has not fully recovered from the effects of covid-19 pandemic, global conflicts in Europe and Middle East as well as the regional conflicts in Ethiopia, Sudan and Congo DRC have continued to exacerbate the fragile macroeconomic environment creating supply chain challenges amongst its many adverse impact on business globally, vividly demonstrating how inter dependent the world continues to be.

According to the International Monetary Fund (IMF) in its forecasts for 2024, global growth was expected to remain stable yet underwhelming. However, notable revisions had taken place since April 2024, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies, in particular, the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities—especially oil—as a result of conflicts in the Middle East, the Hamas attack on Israel and its aftermaths, civil unrests, and extreme weather occurrences led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa. The IMF indicated that the global economy achieved an average GDP growth rate of 3.2 percent in 2024, representing a slight increase from the actual growth rate of 2.8 percent in 2023 despite the geopolitical challenges.

Africa's economy showed remarkable resilience and continued on its recovery over the two years as overall real GDP growth for the continent rose to 3.7 percent in 2024 up from the 3.1 percent growth achieved in 2023 driven largely by the growth recorded in several countries within the continent, including Uganda.

The Ugandan economy continued its growth from the previous years; achieving an increase in Gross Domestic Product (GDP) to 6.0 percent in the 2023/2024 financial year, from the 5.3 percent in the 2022/2023 period, according to the Bank of Uganda. This was achieved through a number of factors including strong domestic spending and increased direct foreign investment (FDI) in the extractive industries amongst other factors. The growth of the Ugandan economy was despite the World Bank's suspension of financing of new projects in the country.

Some key developments which had impact on the economy include the strategic government initiatives such as infrastructure development projects and the Parish Development Model as well as the enactment of the Income Tax (Amendment) Act, 2024 which came into force on 1st July, 2024. The legislation introduced the waiver of interests and penalties on taxes outstanding as at 30th June 2023 provided the taxpayer paid the principal tax by 31st December 2024. The government also implemented the rationalization of government agencies merging many key government parastatals with their parent Ministries, a move expected to achieve significant cost savings and improve government cashflows.

COMPANY OPERATIONS

For the second consecutive year, the Company's subsidiaries have implemented the new accounting standard (IFRS 17). However, unlike the previous years, the subsidiaries were able to achieve greater efficiency in the preparation of audited financial statements and Management hopes to maintain this momentum in the coming years.

The group's overall performance during the year is as a result of the cumulative performance of the individual components comprising the Company and its insurance subsidiaries. The main business of the group is the insurance business of the subsidiaries. In this regard, the insurance revenue of the group grew by 12% from Ushs 29.98 billion in 2023 to Ushs 33.4 billion in the current year.

NIC General posted a 9 percent growth in insurance revenue from Ushs 29.08 billion in 2023 to Ushs 31.68 billion in 2024 with the motor class of business contributing 40 percent of the premiums. The actual GWP of NIC General grew by 14% from Ushs 30.00 billion written in 2023 to Ushs 34.16 billion in 2024 (above the industry growth of 12.04%). NIC Life's insurance revenue grew significantly by 58.6 percent to Ushs 2.21 billion in the current year from Ushs 1.39 billion in 2023. The major contributor to the growth was the individual life business, which increased in revenue exponentially from Ushs 327.31 million to Ushs 1.50 billion.

The group's Profit before tax (PBT) for the year ended 31 December 2024 improved from a loss before tax (LBT) of Ushs 2.35 billion in 2023 to a PBT of Ushs 947.19 million driven by the improvement in insurance service results. Similarly, Profit after tax (PAT) increased from a LAT of Ushs 2.38 billion in 2023 to a Profit after tax (PAT) of Ushs 477.20 million in 2024.

The Shareholders' Funds increased from Ushs 40.89 billion in 2023 to Ushs 41.70 billion in 2024 due to the total comprehensive income of Ushs 318.25 million recorded in the year compared to the total comprehensive loss of Ushs 2.03 billion in 2023.

The overall success achieved by the group in 2024 can be attributed not only to business resilience due to the improvements in service delivery over the years, but also to the new product development initiatives. The major digitalisation exercise introduced in the previous years will be taken a notch higher with the proposed new core application implementation which is expected to help the group achieve one of its core strategic objectives.

THE FUTURE

As we continue to navigate the Risk-based-supervision model being implemented by the insurance regulator, the Insurance Regulatory Authority, and the new accounting standards, the group's two insurance subsidiaries are committed to creating, preserving and protecting the wealth in our brand in line with the Company's mission statement.

The group has continued to innovate as it achieved a new product activation in the life segment targeted at the migrant workers who previously did not have insurance protection for the risks associated with the work-related migration to different countries mainly in the Middle East in search of greener pastures.

In the coming phase of our growth (2025–2030) we hope to achieve the following strategic growth objectives:

- Sustainable profitability and improving the group's financial resilience through cost optimization and strategic capital allocation.
- Increased market share while strengthening the group's competitive position within Uganda and the East African market.
- Innovation in the digital space to enhance customer experience and operational efficiency.
- Improved governance oversight with a view to enhancing our culture of accountability, transparency and compliance.
- Maintenance of a continuously high performing and agile workforce capable of driving strategic objectives and fostering innovation.
- Optimization of the group's brand identity as a means of enhancing our customer engagements and building trust and loyalty in all our stakeholders.

CONCLUSION

Our customers remain our biggest inspiration as we devote energy and resources to serving them more efficiently and effectively. We deeply value their loyalty and support over the years as this has enabled us to not only achieve business resilience but to reposition the group on a path of growth. We commit to continuously giving our customers the excellent service they deserve. We shall do this while remaining a responsible corporate citizen contributing to national development and conscientiously fulfilling our obligations to all our stakeholders as well as continuing our various Corporate Social Responsibility initiatives through our consistent support for sports and human capital development.

We thank our distinguished shareholders for your commitment to the Company over the years. We commit ourselves to growing the business and improving the returns on investment.

We are very proud of our members of staff who despite the challenges in the business environment have been delivering their best.

My immeasurable thanks go to our Board members for entrusting us with the responsibility to pursue sustainable growth in the business in the coming years. The Management shall work to justify your confidence as we continue to appreciate your guidance and dedication.



Mr. Elias Edu
Managing Director



YOUR **WEALTH JOURNEY** STARTS TODAY!



Steadily grow your savings with only UGX 50,000 per month for 5 years and unlock a world of financial possibilities.

**Oli
insured?**

Get in touch today for any inquiries or assistance.

☎ 0417119947
📞 0760 229661

ccd@nic.co.ug
www.nic.co.ug



NIC GENERAL PRODUCTS



SUSTAINABILITY REPORT 2024



Our Sustainability Commitment

At NIC, sustainability is at the core of how we create and deliver value. In 2024, our commitment to building a resilient and accountable business remained firm. We focused on innovating not only for operational efficiency, but for broader stakeholder impact ensuring our growth contributes positively to people, communities, and the industry at large.

Innovating With Purpose

Under the banner “Innovating for Sustainable Stakeholder Value,” our initiatives in 2024 were guided by three core drivers:

- Responsiveness to stakeholder needs
- Digital innovation
- Ethical and inclusive growth

From reimagining customer experiences to enhancing operational agility, we took deliberate steps to meet the changing needs of our stakeholders while maintaining the highest standards of governance and transparency.

Governance for Sustainable Progress

Our Board of Directors played a pivotal role in steering the organization through a year of transformation. They provided strategic oversight on innovation, and risk management.

Stakeholder Overview

Our stakeholder engagement has allowed us to get valuable insights, which we include in our decision-making processes. The feedback we collect helps us anticipate and mitigate potential risks and align our sustainability strategies with both internal and external objectives, thus strengthening the foundation of our sustainability framework and fostering the transparency and trustworthiness of our reporting. In 2024, we deepened collaboration across the board to co-create solutions that respond to the pressing challenges and evolving stakeholder needs.

Members of staff at the 2024 Staff Retreat at The Goldent Tulip Hotel



NIC Netball Team at the 2024 E.A Netball Championship



Our key stakeholder groups

HOW WE ENGAGED

Held the Annual General Meeting (AGM) on October 17th 2024 where the annual report was presented.

Appointed BDO East Africa, certified public accountants as the external auditors of the company.

Listened to retail customers through Brand Consideration surveys while responsibly using data provided by the customers to improve our understanding of their needs.

Improved commission structures, streamlined processes and incentives.

Participated in Strategic dialogues on regulatory trends, consumer protection, and financial inclusion.

Regular personal development conversations.

Online and work-based capacity building.

Employee events, inclusive of townhalls and off-site activities

TOPICS OF DELIBERATION

Presentation and review of the Annual Report, Appointment of External Auditors, Corporate Governance updates and over-all resolutions.

Brand Perceptions, Customer preferences and expectations, Product and Service improvement, Customer Experience journey.

Faster policy issuance and claims processes, Clarity on payment timelines, Compliance and Ethics.

Enhanced compliance and the participation in general insurance awareness campaigns.

Organizational Updates, Learning and skills development, Career Growth and Development, Culture and Team Cohesion.

Shareholders



Customers



Brokers & Agents



Government & Regulators



Employees



Customer-Driven Innovation

To enhance customer value, we advanced the rollout of a digital platform, integrating the G7 Bill system and expanded access of our insurance services on mobile-based platforms. These platforms enabled us to offer more customized, transparent, and timely insurance experiences, increasing customer satisfaction and long-term loyalty.

Empowering Human Capital

Our innovation agenda also extended to our people. In 2024, we invested in smart tools and learning platforms to help employees unlock their potential. Our “NIC Learning Hub” platform fosters internal career progression and leadership development, while wellness efforts like team building supported a thriving and unified workplace culture.

Social Impact

NIC’s Corporate Social Responsibility strategy is rooted in the inclusion and empowerment of communities. In 2024:

- The NIC Netball Club once again brought pride to the nation by winning the East African Championship Trophy, reinforcing our commitment to promoting youth talent and female empowerment through sports.
- We donated dustbins to Gayaza High School in support of their strong commitment to environmental stewardship, reinforcing our shared values around sustainability and cleanliness.
- We continued to support financial literacy outreach in secondary schools, equipping young people with the knowledge and skills to make informed financial decisions.

These initiatives reflect NIC’s broader goal of creating lasting, positive impact while aligning with national priorities and global sustainability goals.

NIC handing over branded dustbins to the Gayaza High school team



Looking Ahead: Scaling Innovation for Greater Impact

NIC is committed to scaling up innovations that drive sustainable stakeholder value. We are exploring:

- Inclusive coverage models to reach underserved segments
- Integration and participation in environmental protection initiatives and campaigns.
- Enhanced ESG data reporting to track our impact with greater precision

Our focus remains clear: to be a force for good, creating solutions that are profitable, inclusive, and sustainable. `

Conclusion

NIC is committed to scaling up innovations that drive sustainable stakeholder value. We are exploring:

- Inclusive coverage models to reach underserved segments
- Integration and participation in environmental protection initiatives and campaigns.
- Enhanced ESG data reporting to track our impact with greater precision

Our focus remains clear: to be a force for good, creating solutions that are profitable, inclusive, and sustainable. `

Team Simba display their mighty roar at the NIC Staff Team Building 2024



NIC LIFE PRODUCTS





NIC HOLDINGS - BOARD MEMBERS



Dr. Alan Shonubi
Chairman

Dr. Alan Shonubi is the senior and founding Partner of Shonubi, Musoke & Co, a leading law firm in Uganda. He has over the years specialized in corporate and commercial law. Dr. Shonubi has consistently been ranked as a leading lawyer in notable publications namely; IFLR1000 and Chambers and Partners and is currently recognized as a Senior Statesmen by Chambers Global. Prior to joining private practice, he served in the insurance and banking fields of law.

Dr. Shonubi has served in many professional capacities including President of the East African Law Society and Vice President of the Uganda Law Society. He received professional recognition as Senior Counsel, the highest possible rank that can be attained by a practicing advocate in Uganda. He also serves as a chairperson on various boards and is the Patron of Entebbe Hospital and Entebbe Red Cross among others in the region and in Uganda.



Mr. Charles Tukacungurwa
Director

Mr. Tukacungurwa holds a Bachelors' degree in Botany and Zoology and later on a Masters' degree in plant breeding and genetics from Aberdeen, Scotland. He worked in various capacities in the then Agricultural Policy Secretariat under the Ministry of Finance, Planning and Economic Development. He currently works as a private consultant after retiring from the public sector.



AVM Walter Ogujiofor (RTD)
Director

AVM Walter A. Ogujiofor is a certified military and commercial pilot. He is a graduate of Nigeria Defence Academy, Imo State University Nigeria, University of Ibadan Nigeria, and Harvard Business School, Boston as well as a Fellow of National Defence College Nigeria. He is also an Adjunct Professor of Aviation Science at Texas Southern University, Houston, Texas. He has held various operational and strategic management positions including as Group Managing Director of Nigeria Air Force Holdings.



Mrs. Ketrah A. Tukuratiire
Director

Mrs. Tukuratiire is an Advocate of Courts of Judicature of Uganda. She is a 1981 graduate of Law from Makerere University. She also holds a Post Graduate Diploma in Legal Practice from Law Development Centre (LDC) and a Diploma in Modern Management and Administration from the Cambridge International College, UK. Before joining private legal practice, Mrs. Tukuratiire had worked in various capacities in the Ministry of Justice and Constitutional Affairs and retired after 21 years of service at the rank of Ag. Registrar General. She also worked as a Manager, Legal services at a Bank. She has served as a member of the Boards of Directors of the Capital Markets Authority, the Vision Group and also as a member of the Management Committee of the Law Development Centre.



Mr. Kabir Ayinde Tukur
Director

Mr. Kabir Ayinde Tukur is a seasoned banker for over 35 years. He is a 1982 graduate of Kaduna Polytechnic, Nigeria. He is also a graduate of Kwara Polytechnic Nigeria, Harvard Business School, USA and Institut Bilingue Libre Du Togo. Mr. Tukur has held several Senior Management and Board positions including as Managing Director/Chief Executive Officer HMS Concepts Limited (Financial Advisory Services) and Managing Director/Chief Executive Officer, Citihomes Savings and Loans Limited, MD/CEO Cooperative Mortgage Bank Ltd and now Group MD Coopvest Ltd



Mr. Bayo Folayan
Director

Mr. Folayan is a seasoned insurance practitioner with a Bsc in Insurance from the University of Lagos, Nigeria and an MBA from the University of Ilorin, Kwara State, Nigeria. He is a Fellow of the Chartered Insurance Institute, London (since 1993) Fellow of the Chartered Insurance Institute, Nigeria (since 2002) and member of other professional bodies and associations. He has over 30 years' experience in the insurance world, starting with Sakiina Insurance Brokers, Nigeria in 1983. He eventually rose in the insurance profession to become the Managing Director of El-mac Assurance (Nigeria) Limited, a composite insurance company in July 2002. He joined IGI in May 2011 as Deputy Director (Special Risks) and later became Deputy Director (Private Sector Marketing) from where he was seconded to NIC as Managing Director. He retired from NIC on 30th April 2025 after 14 years of meritorious service to the company.



NIC HOLDINGS - BOARD MEMBERS



Mr. Akinlolu Akinyele
Director

Mr. Akinyele is the current Group Managing Director/CEO of Industrial and General Insurance Plc (IGI Plc). He is a graduate of Biochemistry from the University of Ibadan, Oyo State Nigeria. He also holds an MBA from the prestigious Lagos Business School. He is a Chartered Insurance Practitioner, an Associate (ACII) of the Chartered Insurance Institute, London and Nigeria. Mr. Akinyele has held various leadership positions within the insurance sector including as the Managing Director/Chief Executive Officer of Coronation Life Assurance Limited, the General Manager and Head Oil & Gas, Aviation and Emerging Corporates Division of AXA Mansard Insurance amongst other top positions.



Mr. Elias Edu
Managing Director

Mr. Elias Edu is a seasoned administrator with over 28 years working experience, half of which had been served in various capacities in the insurance industry including as Company Secretary/Director, Industrial and General Insurance (Ghana) Limited and Company Secretary/Principal Officer, NIC General Insurance Company Limited, a position from where he was appointed Acting Managing Director. He is a graduate of Law from the Nnamdi Azikiwe University, Awka, Anambra State, Nigeria. Mr. Edu also holds a Masters' Degree in Law [LLM] from the same institution and Masters' Degree in Business Administration [MBA] from Kampala International University, Kampala, Uganda. Prior to his appointment as Company Secretary/Head Corporate Services of NIC, he served in other sectors within the group, including as Head of Legal Services, Monarch Communications (Nigeria) Limited; and as Company Secretary/Legal Adviser, International Health Management Services (Nigeria) Limited. He is a member of the Chartered Insurance Institute [UK]. Mr. Edu assumed the role of Managing Director of NIC General on 1st May, 2025.



Mrs. Ketrah A. Tukuratiire
Chairperson

Mrs. Tukuratiire is an Advocate of Courts of Judicature of Uganda. She is a 1981 graduate of Law from Makerere University. She also holds a Post Graduate Diploma in Legal Practice from Law Development Centre (LDC) and a Diploma in Modern Management and Administration from the Cambridge International College, UK. Before joining private legal practice, Mrs. Tukuratiire had worked in various capacities in the Ministry of Justice and Constitutional Affairs and retired after 21 years of service at the rank of Ag. Registrar General. She also worked as a Manager, Legal services at a Bank. She has served as a member of the Boards of Directors of the Capital Markets Authority, the Vision Group and also as a member of the Management Committee of the Law Development Centre.



Mr. Akinlolu Akinyele
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Mr. Tukacungurwa holds a Bachelors' degree in Botany and Zoology and later on a Masters' degree in plant breeding and genetics from Aberdeen, Scotland. He worked in various capacities in the then Agricultural Policy Secretariat under the Ministry of Finance, Planning and Economic Development. He currently works as a private consultant after retiring from the public sector.



Mrs. Rachel Voke Emenike
Director

Mrs. Emenike is the former Group Managing Director/CEO of Industrial and General Insurance Plc (IGI Plc). She is a chartered insurance professional and Fellow of the Chartered Insurance Institute UK and Nigeria. She has vast experience in management spanning over 32 years with a strong record of execution in multiple environments and business cultures. Mrs. Emenike holds a Bachelor of Laws (Hons) Degree from the University of Lagos, a Post graduate Barrister-at-Laws Degree (2nd Class Upper Division) from the distinguished Nigerian Law School and is an admitted Legal Practitioner in Nigeria. She also holds an MBA Degree from the prestigious Warwick University, United Kingdom. She has held various leadership positions including as Managing Director/Chief Executive Officer of Old Mutual Nigeria General Insurance Company Limited, Deputy General Manager UBA Metropolitan Life Insurance Limited.



High Chief Tajudeen Ayeola
Director

High Chief Tajudeen Ayeola is a graduate of Economics Education Ogun State University, Nigeria. He started his career in 1993 with the Lagos State Civil Service and moved through the ranks to become a director. He has over 29 years of cooperative experience and had presided over all the four tiers of Cooperative Administration in Nigeria. He is presently the President of Cooperative Federation of Nigeria (CFN), President of International Cooperative Alliance-Africa (ICAAfrica) and Vice President (Africa Region) of International Cooperative Alliance, Global. High Chief Ayeola was in 2018 conferred with a high chief title as the Arobayo of Epe land, in recognition of his numerous contributions. He is a Fellow of the Institute of Managers and Administrators of Nigeria and Institute of Cooperative Professionals of Nigeria (ICOPRON) and a Patron of the Association of Nigerian Authors (Lagos Chapter).



Mr. Bayo Folayan
Director

Mr. Folayan is a seasoned insurance practitioner with a Bsc in Insurance from the University of Lagos, Nigeria and an MBA from the University of Ilorin, Kwara State, Nigeria. He is a Fellow of the Chartered Insurance Institute, London (since 1993) Fellow of the Chartered Insurance Institute, Nigeria (since 2002) and member of other professional bodies and associations. He has over 30 years' experience in the insurance world, starting with Sakiina Insurance Brokers, Nigeria in 1983. He eventually rose in the insurance profession to become the Managing Director of Elmac Assurance (Nigeria) Limited, a composite insurance company in July 2002. He joined IGI in May 2011 as Deputy Director (Special Risks) and later became Deputy Director (Private Sector Marketing) from where he was seconded to NIC as Managing Director. He retired from NIC on 30th April 2025 after 14 years of meritorious service to the company.



Mr. Wale Oluwaniyi
Director

Mr. Oluwaniyi is a Chartered Accountant and a certified Quality Management Systems (QSM) Auditor with specialization in financial reporting, financial planning and tax management. His career spanning over two decades has been served in various capacities in world class organizations such as Integrated Capital Services Limited, Africa Oilfield Services Limited, Industrial and General Insurance Plc and Gamstar Insurance Company Limited (Gambia). He currently serves as a non-executive director on the Board of Sonarwa General Insurance Company Limited (Rwanda)



Mr. Elias Edu
Managing Director

Mr. Elias Edu is a seasoned administrator with over 28 years working experience, half of which had been served in various capacities in the insurance industry including as Company Secretary/Director, Industrial and General Insurance (Ghana) Limited and Company Secretary/Principal Officer, NIC General Insurance Company Limited, a position from where he was appointed Acting Managing Director. He is a graduate of Law from the Nnamdi Azikiwe University, Awka, Anambra State, Nigeria. Mr. Edu also holds a Masters' Degree in Law [LLM] from the same institution and Masters' Degree in Business Administration [MBA] from Kampala International University, Kampala, Uganda. Prior to his appointment as Company Secretary/Head Corporate Services of NIC, he served in other sectors within the group, including as Head of Legal Services, Monarch Communications (Nigeria) Limited; and as Company Secretary/Legal Adviser, International Health Management Services (Nigeria) Limited. He is a member of the Chartered Insurance Institute [UK]. Mr. Edu assumed the role of Managing Director of NIC General on 1st May, 2025.



AVM Walter Ogujiofor (RTD)
Chairman

AVM Walter A. Ogujiofor is a certified military and commercial pilot. He is a graduate of Nigeria Defence Academy, Imo State University Nigeria, University of Ibadan Nigeria, and Harvard Business School, Boston as well as a Fellow of National Defence College Nigeria. He is also an Adjunct Professor of Aviation Science at Texas Southern University, Houston, Texas. He has held various operational and strategic management positions including as Group Managing Director of Nigeria Air Force Holdings.



Mrs. Florence Obore
Director

Mrs. Obore worked with NIC since 1980 in various capacities. She holds a Bachelor of Arts, Social Work and Social Administration from Makerere University. She has undergone a wealth of trainings both on management and insurance underwriting. She has extensive technical, managerial and cross skilling experience in both Life and Non-Life divisions of Insurance. Mrs. Obore also has regional exposure, having worked as Coordinator and Consultant and member of the Technical Management Committee of the COMESA Insurance Schemes. She has served in various committees of the Uganda Insurers Association and she is a member of various bodies including the Insurance Institute of Uganda where she achieved position of the Deputy President of the Institute (2002-2003).



Mr Henry Ngabirano
Director

Mr. Ngabirano, a former managing director of Uganda Coffee Development Authority (UCDA) and head of the International Coffee Council (2010/2011). He was at the helm of UCDA for nearly 10 years. Before joining Uganda Coffee Development Authority (UCDA), he worked as a quality manager for 10 years at the defunct Coffee Marketing Board. For years, Mr. Ngabirano has been Uganda's main stay in the coffee industry and could be one of the country's best coffee experts. He oversaw the coffee policy reforms that liberalised the industry before superintending over the full privatisation and centralisation of the coffee industry in the early 90s. But beyond Uganda, he has travelled across the globe and served as a delegate on most inter-governmental coffee organisations in Africa, US, Europe and Asia. He is the current Chairman of Café Pap. He is also a member of other distinguished Boards.



Prof. Kikelomo Ololade Wright
Director

Professor Kikelomo Ololade Wright is a Physician Specialist in Community Medicine and Public Health with 29 years of experience in clinical medical practice. She is a Professor in the Department of Community Health and Primary Health Care at the Lagos State University College of Medicine. She holds a medical degree (MB-ChB) from the Obafemi Awolowo University, Ife, a Master of Public Health (MPH) from the University of Lagos, a Postgraduate Diploma (PgD) from Boston University, USA and a Doctor of Medicine (MD) from the National Postgraduate Medical College of Nigeria (NPMCN). She is also a Fellow of NPMCN which is the apex institution for medical education in Nigeria. In addition, Professor Wright is a member of several administrative and health systems management committees at the university, state and national levels of the health and education systems of Nigeria. Professor Wright has tremendous experience in teaching and manpower development and has supervised over 120 dissertations (Medical Undergraduates, Masters' and Fellowship). She is a recipient of several local and international grants and has collaborated extensively on multidisciplinary projects with widely published scholarly outputs in over 100 local and international scientific peer-reviewed journals.



Mr. Grace Wanyama
Director

Mr. Wanyama worked with NIC in various capacities. Prior to joining NIC, he worked as a State Attorney with Ministry of Justice, was a tutor at the Law Development Centre, Secretary, Presidential Advisory Committee on Prerogative of Mercy, Assistant Legal Secretary Transocean (Uganda) Limited. Mr. Wanyama obtained a Bachelor of Laws (Hons) from Makerere University, a Diploma in Legal Practice from the Law Development Centre and Certificate in Development (Law) from International Development Law Institute, Rome. He also enrolled as an advocate of the High Court of Uganda and the courts subordinate thereto.



Hon. Gbadebo Moses Ogunniran
Director

Hon. Ogunniran holds BSc (Hons) in Estate Management, a Master of Science (MSC) in Estate Management and a Master of Business Administration (MBA) from University of Sussex, England. He has held various management positions, internationally, in the past. He holds several professional qualifications in property management including Fellow, British Institute of Management (FBIM) and Fellow, Institute of Housing England (FCIH). He is currently working as a Senior Partner /Chief Executive Officer of Slade Consulting and Estate Management, London.



Mr Lubandi Joseph
Managing Director

Mr. Lubandi Anthony Joseph, holds a Diploma in Insurance (DIU) and a Bachelor of Business Administration Degree from Uganda Christian University, Mukono. He is a member of the Association of Chartered Certified Accountant (ACCA, UK.), Institute of Certified Public Accountants Uganda (ICPAU) and the Insurance Institute of Uganda (IIU).

Lubandi has over 10 years' experience in finance, audit and insurance sectors having worked his way through the ranks at the companies worked for in the past. He worked for Deloitte Uganda where he started his career and served in various departments including Audit & Assurance, Business development and tax, from where he joined Sanlam Life Assurance Uganda as Head of finance for 8 years. He then Joined NIC Life Assurance as CFO, for 3 years from where he became NIC Life's Managing Director, a position he continues to serve in today

**Insurance is like
a spare tyre— you hope
you'll never need it,
but when you hit a nail
on the highway, you'll be
really glad it's there.**



NIC HOLDINGS MANAGEMENT TEAM



Elias Edu
Managing Director



Wale Oluwaniyi
Chief Finance Officer
- NIC Holdings



Anthony Matovu Lubega
Chief Finance Officer
- NIC General



Jocelyn Ucanda
Deputy Director Marketing



Anthony Lubandi
Managing Director - NIC Life



Lawrence Lutaaya
Ag. Chief Finance Officer
- NIC Life



Betty Matovu
Head Non-Life



Edwin Muruka
Head ICT



Denis Okello
Head Internal Audit - NIC General



Jacqueline Anyinge
Head Legal



Anjella Ajiku
Corporate Communications



Sarah Kajubi
Head Administration



Monica Amolo
Ag. Head Human Resource



Samuel Praise Opake
Risk Officer



Bridget Atuhaire
Actuarial Officer - NIC Life

OUR BRANCH NETWORK

NIC is fully represented through a good spread of a vast branch network in the East, West, North, and Central.

SOROTI BRANCH

Soroti Avenue Plot 39
Tel: 0777410781

MBALE BRANCH

Plot 39 Republic Street
Tel: 0703532303

HOIMA AREA OFFICE

Hajji Sewallis Building
Fortportal Road
Tel: 0778747425

JINJA BRANCH

Plot 15 Main Street
Tel: 0762683766

MASAKA BRANCH

Plot 1 Edward Avenue
Tel: 0774443811

KASESE BRANCH

Plot 68 Margherita Street
Tel: 0702459628
0789033765

MBARARA BRANCH

Plot 4 Buremba Rd
Tel: 0701319966

FORTPORTAL BRANCH

Plot 9 Balya Road
Tel: 0773615865

LIRA BRANCH

Plot 20/22 Aputi Road
Tel: 0392619874
0788503526

ARUA BRANCH

Plot 06, Avenue Road
Tel: 0785660449

KABALE BRANCH

Vok Building Plot 50
Kabale-Mbarara Road
Tel: 0785000910

AREA OFFICES



IGANGA AREA OFFICE

Next to Iganga Police Station.
Tel: 0778296583

KITGUM AREA OFFICE

Uhuru Drive, Opp the Mosque, Plot 115 A/B
Tel: 0784245406

TORORO AREA OFFICE

Near Rock Mambo FM Radio station
Tel: 0777283336

LUWERO AREA OFFICE

Main High Way
Tel: 0772851515

OUTLETS

KAJJANSI

0774212959
Kajjansi Market

ENTEBBE AIRPORT

0704498314
Entebbe

BWEYOGERERE

0703009965
Opp. Shell Bweyogerere

KYAZANGA

0782576254
Kyazanga

KIREKA

0708100010
Kireka

MUBENDE

0704121922
Mubende

ABAYITA ABABIRI

0703685360
Abayita Ababiri

OLD TAXI PARK

0759663001
Kampala

KAMWENGE

0702794821
Kamwege

USAFI

0701268087
Usafi Park

BUSABALA

0752931404
Busabala

PARLIAMENTARY AVENUE

0703860860
Kampala

JINJA ROAD

0757137727
Kampala

KYENJOJO

0772805987
Kyenjojo

KAPCHORWA

077500785
Kapchorwa

MENGO POSTA

0772506182
Mengo Post Office

LUMUMBA AVENUE

0701691058
Lumumba Avenue

PAIDAH

0785660449
Paidah

KAGADI

0787546867
Kagadi

KUMI

0777651550
Kumi

NAKULABYE

0772880558
Nakulabye

MOIL OPP YMCA WANDEGEYA

0751308805
Wandegeya

KOBOKO

0704121922
Koboko

KISORO

0782720627
Kisoro

BUNDIBUGYO

0775148003
Bundibugyo

NDEEBA

0752699972
Ndeba

OLD KAMPALA POLICE

0700709593
Old Kampala Police

NANSANA

0772896551
Nansana

STAR BOND

0701513825
Lugogo

SHELL KITEBI

0702216564
Shell Kitebi

MUKONO

0787140881
Next to Total Petrol
Station

GAPCO, KAMWOKYA

0700149885
Kamwokya

LUBIGI

0751763003
Nansana

JINJA TAXI PARK

0773141811
Jinja

KIRA HOUSE

0705002328
Kira House

BUGOLOBI

0758687327
Bugolobi

TOTAL MPIGI

0706748356
Mpigi

KANSANGA

0773818112
Kansanga

TROPICAL COMPLEX

0703949244
Tropical Complex

LYANTONDE

0704623712
Lyantonde

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with the consolidated and separate financial statements for the year ended 31 December 2024 which disclose the consolidated and separate state of financial affairs of NIC Holdings Limited (“the Company” or “NIC”) and its subsidiaries, NIC General Insurance Company Limited and NIC Life Assurance Company Limited (together “the Group”).

LEGAL STATUS

NIC Holdings Limited (NIC) was established in 1964 by an Act of parliament and the National Insurance Corporation Act as a government parastatal. In 2000, the Government of Uganda incorporated a successor company, the National Insurance Corporation Limited (NICL) which took over the composite insurance business previously transacted by National Insurance Corporation. NICL was licensed as a composite insurance company under the Insurance Act Cap. 192, to transact general and long-term Insurance business as well as Health Insurance and Micro Insurance businesses. In 2011, following the enactment of Insurance (Amendment) Act which required composite insurance companies to separate their insurance businesses under different entities for general and long-term insurance respectively, the Company, pursuant to a resolution passed at the 12th Annual General Meeting (AGM), established two wholly owned insurance subsidiaries, NIC General Insurance Company Limited (NIC General) and NIC Life Assurance Company Limited (NIC Life). With the incorporation and subsequent licensing of the insurance subsidiaries, NICL was restructured into a holding and investment company. The Memorandum and Articles of Association was amended accordingly, and the name of the Company was changed to NIC Holdings Limited to reflect its status as a holding company.

PRIVATISATION AND PUBLIC LISTING

In 2005, following the completion of the first phase of privatization process, 60% of the equity shares of the Company was acquired by Corporate Holdings Limited, a special purpose vehicle owned by Industrial and General Insurance Plc (the ultimate holding company). In line with the objectives set prior to privatization, the balance 40% shares retained by Government after the first phase, was sold to individual and corporate shareholders during an Initial Public Offer (IPO) of NIC. The Group’s shares were thereafter listed on the Uganda Securities Exchange (USE) on 25 March 2010 thus making NIC the first and only insurance company in Uganda to be listed on the USE. The public listing of the shares came with a reporting obligation to the USE and the Capital Markets Authority (CMA).

PRINCIPAL ACTIVITY

The principal activities of the Group are provision of general and long term insurance services and related activities. These include:

i. General Business :

- Workmen’s Compensation / Employers’ Liability
- Burglary Insurance
- Contractors All Risks
- Erection-All-Risks
- Travel Insurance
- Machinery Break down/Boiler Expenses
- Personal Accident (Group and Individual)
- Goods-in-transit
- Contractors All Risks
- Marine Cargo
- Physical Damage (All Risks)
- Cold Storage
- Fire & Special Perils
- Bonds
- Oil & Energy
- Marine & Aviation Hull and Liabilities

ii. General Business :

- Group Life
- Mortgage Protection
- International Health & Medical Insurance
- Dividend Plus Plan
- Personal Pension & Annuity
- Individual Life
- Education Endowment

iii. Rental Services :

- Office accommodation
- Residential accommodation
- Car parking space

FINANCIAL RESULTS

	31-Dec-24		31-Dec-23	
	Group	Company	Restated Group	Company
	Ushs' 000	Ushs' 000	Ushs' 000	Ushs' 000
Consolidated profit/(loss) before taxation	947,192	(217,093)	(2,346,852)	1,103,319
Taxation charge	(469,988)	(80,504)	(32,105)	(94,144)
Consolidated profit/(loss) after taxation	477,204	(297,597)	(2,378,957)	1,009,175
Other comprehensive income	(158,957)	-	351,044	-
Total comprehensive profit/(loss)	318,247	(297,597)	(2,027,913)	1,009,175
Net Assets	41,702,411	10,638,951	40,890,904	10,576,548

FUTURE PROSPECTS

The global economic challenges due to the lingering crisis in Europe (war between Russia and Ukraine) and the Middle East (War between Israel and Hamas) continued in 2024 with serious impact on global supply chain. These two major global events amongst other factors have continued to impact the Ugandan economy, and the situation was exacerbated by the World Bank's suspension of financing of new projects in Uganda. Other key developments during the year include the enactment of the Income Tax (Amendment) Act, 2024 which came into force on 1st July, 2024. The legislation introduced a waiver of interest and penalties on taxes outstanding as at 30th June 2023 provided the taxpayer paid the principal tax by 31st December 2024.

Also, during the year under review, the government of Uganda completed the process of rationalisation of Government Agencies by which most parastatals were merged with their mainstream ministries. While the impact on the aggregate demand for insurance has not been assessed, the Government hopes that the rationalisation exercise will lead to significant savings in the cost of governance. The Group's overall performance during the year, reflects the cumulative effect of the individual performances of the Company and its subsidiaries. The insurance revenue of the group grew by 11.4% from Ushs 29.98 billion in 2023 to Ushs 33.40 billion in the current year.

NIC General's insurance revenue grew by a moderate 9% to Ushs 31.68 billion from Ushs 29.08 billion in 2023 largely because of 29.9% growth of the motor class of business which contributed 40% of the total insurance revenue for the year. On the other hand, NIC Life's insurance revenue grew by a significant 58.6% from Ushs 1.39 billion in 2023 to Ushs 2.21 billion in 2024. The major contribution came from the individual life business which grew by 358.77% from Ushs 327.31 million in 2023 to Ushs 1.50 billion in the current year. The growth trend is expected to continue as the new business initiatives, including the newly approved policies for migrant workers, begin to make significant impact on revenue.

RESEARCH AND DEVELOPMENT

The group is, on a continuous basis, carrying out research into insurance products and services. The results of these research efforts often lead to new product development.

EMPLOYMENT AND EMPLOYEES

- Employment of physically challenged persons: It is the policy within the group that there should be no discrimination in considering applications for employment including those from disabled persons. All employees are given equal opportunities to develop. The group had no disabled person in its employment as at 31 December, 2024.

EMPLOYMENT AND EMPLOYEES

- b. Health, safety at work and welfare of employees: Health and safety regulations are in force within the premises of the companies in the group. The group's remuneration structure is in line with best practice and is constantly being reviewed. The remuneration structure incorporates allowance/subsidy towards transportation, housing, and lunch. A further incentive is provided in the form of medical expenses reimbursement to all employees, subject to approved limits. Additionally, employees are rewarded adequately after yearly appraisals in line with the group's remuneration policy. Due to spike in the cost of living which made government to increase public sector wages, the Board approved general salary increase effective 1st January, 2023 to continue to attract top talents within the group.
- c. Employees' Involvement and Training: The companies within the group are committed to keeping employees fully informed as much as possible regarding the group's performance and progress. A feedback system is in place to solicit views wherever practicable on matters which particularly affect employees. The employees' professional and technical expertise is the major asset and investment, and the group's policy of expanding skill-base has been extended by a range of training provided to the employees whose opportunities for career development have been enhanced.

DIRECTORS

The present Board of Directors is as shown on page 4.

At the 23rd AGM held on 17th October, 2024, amongst other important businesses of the day, two directors (Mr. Charles Tukacungurwa and Mrs. Ketrach Tukuratiire) retired by rotation in line with the Company's governance framework and the Listings Rules of the Uganda Securities Exchange and were duly re-elected having so offered themselves for re-election. The AGM also approved the ratification of the appointments of Retired Air Vice Marshal (AVM) Walter A. Oguijofor, a certified military and commercial pilot and Mr. Kabir Ayinde Tukur, a seasoned banker, as non-executive directors of the Company. The two directors were appointed in 2023 to fill the casual vacancy created with the retirement of the former Vice Chairman, Mr. Rofimi Fashola and Director Obayomi Lawal.

Directors' Shareholding

The interest of Directors in the issued share capital of the Company is as shown below:

Name of Director	Number of shares held in personal
Mrs. Ketrach Tukuratiire	1,185,018
Mr. Bayo Folayan	7,409,175

The Memorandum and Articles of Association does not prescribe share qualification for Directors.

CORPORATE GOVERNANCE STATEMENT

The directors remain steadfast in implementing governance practices where substance prevails over form. The governance framework of NIC Holdings Limited allows the Board of Directors to carry out continuous oversight of management functions as well as periodic evaluation of the systems, enabling the directors to balance the Board's responsibility for oversight with their individual roles to provide strategic guidance for management actions. The Board is strengthened in the assurances that the respective trading subsidiaries also have in place governance frameworks ensuring their Boards maintain oversight through Board Committees constituted in line with regulatory requirements for insurance business.

The governance framework of NIC Holdings Limited provides for delegation. Thus, the Board has delegated some of its responsibilities to a number of committees with clear Terms of Reference (TOR) designed to help the Committees maintain close oversight of management functions.

The group's compliance with the governance best practices is constantly being reviewed to evaluate its effectiveness. The CMA also undertakes corporate governance assessment of listed companies, and the report issued subsequently is considered by the Board for implementation.

Regulatory Compliance

The group is committed to achieving full compliance with the extant legal provisions regulating business operations particularly those governing the operations of the subsidiaries. The wholesome adoption of global best practice makes it imperative to observe greater transparency, accountability and professionalism consistent with the vision of the NIC group. The Board continually monitors regulatory compliance, and this is one of the bases for assessment of management's performance. At the 22nd AGM in 2023 the shareholders approved the amendment of the MEMART proposed by the Board of Directors and effectively adopted Table F of the Companies Act Cap. 106 (Code of Corporate Governance) in line with the requirements under the Companies (Amendment) Act No. 16 of 2022 which became effective. On their part, the Company's subsidiaries have continued to meet on an ongoing basis, the compliance requirements under the Insurance Act Cap. 213 and its implementing Regulations.

Shareholders' responsibilities

The shareholders' role is to appoint the Board of Directors and the External Auditors. This role is extended to holding the Board accountable and responsible for efficient and effective corporate governance.

Shareholding Structure as at 31 December 2024

Major Shareholders [top 10 shareholders]

Name Of Shareholder	No. of Shares	%
Corporate Holdings Limited (IGI Plc – Ultimate Holding	1,379,234,425	64.95%
DFCU Bank (Uganda) Limited	148,645,383	7.00%
Mr. Sudhir Ruparelia	147,793,953	6.96%
Mr. Joseph Tukuratiire	47,623,903	2.24%
Mr. Ronald Balyejjusa Ssettumba	43,649,692	2.06%
Mr. Rashid Ssenyonga	26,022,405	1.23%
Mr. Timothy Sabiiti Mutebile	12,825,000	0.60%
ITF Abala Brian Mundu Abala Joseph	11,875,000	0.56%
Mr. Biao Wang	10,663,500	0.50%
Mengo Hospital Investment(U) Limited	10,172,521	0.48%
2098 other Shareholders	285,163,795	13.43%
TOTAL	2,123,669,577	100.00%

DIRECTORS

Shares Distribution Schedule as at 31 December 2024

Description	No. of Shareholders	No. of Shares Held	Percentage Holding
Between 0 and 1,000 Shares	119	42,691	0.00%
Between 1,001 and 5,000 Shares	120	324,301	0.02%
Between 5,001 and 10,000 Shares	439	3,161,473	0.15%
Between 10,001 and 1,000,000 Shares	1,355	147,860,649	6.96%
Above 1,000,001 Shares	58	1,972,280,463	92.87%
Total	2,091	2,123,669,577	100.00%

The total number of shares reflected in the Shareholders' Register is inclusive of the bonus shares of 707,889,859 units allotted to shareholders on 8th July, 2022 bringing the Company's paid up share capital to Ushs 10,618,347,885/- made up of 2,123,669,577 ordinary shares of Ushs5/- per share.

RIGHTS ISSUE

At the 21st AGM held on 14th July, 2022, the Group's shareholders approved the increase in authorized share capital from Ushs13,000,000,000/- (Thirteen Billion Uganda Shillings) to Ushs31,000,000,000/- (Thirty-One Billion Uganda Shillings) divided into 6,200,000,000 (Six Billion, Two Hundred Million) ordinary shares of Ushs 5/- (Five Uganda Shillings) per share. The shareholder equally approved the resolution authorizing the Board of Directors to increase the Group's paid-up share capital from Ushs 10,618,347,885/- to any amount up to Ushs30,226,191,025/- by the creation of new Ordinary shares of Ushs5/- (Five Uganda Shillings) per share to be offered concurrently to the existing shareholders of the Group and to any interested member of the public at a price to be determined by the Board. The Rights Issue process could not be completed in 2024 due to a delay in finalising the financial statements as a result of the implementation of the new accounting standard - IFRS 17. It is expected that the process will be completed in 2025 as the panel of Transaction Advisers appointed for the Rights Issue has not been disbanded.

BOARD OF DIRECTORS

The Board of Directors has ultimate responsibility for the management of the group. The Board provides the broad strategic objectives of the NIC group and is responsible for the overall corporate governance framework, ensuring that appropriate controls, systems and practices are put in place in each member of the group to guide the operations of the group.

Delegation and effective control

The Board maintains effective control of the Company through a well-developed governance structure which includes Board committees. These committees provide in-depth focus on specific areas of board responsibility. The governance structure provides that Board Committees render reports to the Board during Board meetings. Directors' attendance at Board meetings in 2024 is shown below.

Board Member	Designation	15th Feb, 2024	17th Oct, 2024	10th Dec, 2024
Dr. Alan SHONUBI	Chairman	√	√	√
Mr. Charles TUKACUNGURWA	Director	√	√	√
AVM Walter OGUIJIOFOR Rtd	Director	√	√	√
Mr. Kabir TUKUR	Director	√	√	√
Mrs. Ketrah A. TUKURATIIRE	Director	√	√	√
Mr. Bayo FOLAYAN	Managing Director	√	√	√

Key

√	Present
x	Absent

Directors have full and unrestricted access to Management, information and the resources required to carry out their roles and responsibilities, including external legal advice at the group's expense. The access to information also includes unlimited access to the advice and services of the Company Secretary who assists and facilitates the effective discharge of directors' responsibilities as relate to their entities.

Board Committees of the Company

The following Board Committees are in place to further ensure effectiveness in the performance of Board's duties: Audit, Risk and Compliance Committee, Human Resources and Remuneration Committee and Investment Committee.

Audit, Risk & Compliance Committee

The central role of the Board Audit, Risk and Compliance Committee (BARCC) is to assist the Board in fulfilling its oversight responsibilities as they relate to the integrity of the financial statements, the external auditor's qualifications and independence, and the performance of the group's internal audit functions and its external auditor. The Committee regularly reviews the group's financial position and makes recommendations to the Board on all financial matters. The Committee oversees the implementation of enterprise risk management as well as monitors compliance with laws and regulations.

The Board Audit and Risk Committee (BARCC) serves as an independent and objective monitor of the group's financial reporting process and system of internal control, and facilitates ongoing communication between the External Auditor, Management, Internal Audit, the Board and regulators with regard to the group's financial situation.

The composition and record of attendance at BARCC meetings in 2024 is shown below

Board Member	Designation	9th Feb., 2024	13th Sept., 2024	3rd Dec., 2024
AVM Walter OGUJIOFOR Rtd	Chairman	√	√	√
Mr. Charles TUKACUNGURWA	Member	√	√	√
Mr. Bayo FOLAYAN	Managing Director	√	√	√

Human Resources and Remuneration Committee

The role of Human Resources and Remuneration Committee BHRRC is to provide oversight function on human capital resources of the group ensuring implementation of the Organizational framework and Remuneration Policy. The Committee ensures that the compensation of executive and senior management and other key personnel is consistent with the approved budget, NIC's objectives, strategy and control environment. The goal of the Committee is to maintain compensation policies that will attract and retain the highest quality of skilled manpower in line with the vision/mission of the NIC group.

The composition and record of attendance at BHRRC meetings in 2024 is shown below

Board Member	Designation	7th Feb,2024	18th April,2024	9th Sept,2024	29th Nov,2024
Mr. Ketrah A. TUKURATIIRE	Chairman	√	√	√	√
Mr. Kabir TUKUR	Member	√	√	√	√
Mr. Bayo FOLAYAN	Managing Director	√	√	√	√

Investment Committee

The role of the Board Investment Committee (BIC) is to assist the Board in setting the Investment Policy, ensuring that the investment of available funds is conducted in accordance with the Investment Policy. The Committee is further required to set/establish the Risk Policy to guide the investment.

The composition and record of attendance at BIC meetings in 2024 is shown below.

Board Member	Designation	6th Feb, 2024	9th Sept, 2024	2nd Dec, 2024
Mr. Ketrah A. TUKURATIIRE	Chairman	√	√	√
Mr. Kabir TUKUR	Member	√	√	√
Mr. Bayo FOLAYAN	Managing Director	√	√	√

Additional governance oversight

In addition to maintaining adequate oversight on the Company's investment in subsidiaries which constitute 100% of its business as a holding company, the Board has ensured that the subsidiaries Boards are well constituted with qualified and experienced directors who maintain oversight on the group's business through the following 4 (four) Board Committees for each of the subsidiaries: Board Audit Committee (BAC), Board Establishment & Remuneration Committee (BERC), Board Investment, Assets & Liabilities Committee (BI-ALC); and Board Risk & Compliance Committee (BRCC). The Annual Reports of the subsidiaries disclose that regular Board meetings have been held on a quarterly basis and that the Committees are fully functional with clear terms of reference which enhance the oversight responsibilities of the Board.

Remuneration of Directors

NIC's Remuneration Policy is consistent with the provisions of the Companies Act, CAP 106 Laws of Uganda and the extant Corporate Governance Guidelines applicable to the remuneration of Directors. The consolidated package of Directors is included as Note 39 (b) to the Financial Statements. The shareholders approved an exit package for retiring directors of the Group being the yearly retainer divided by twelve and multiplied by the number of years served on the Board and payable only once within the group.

AUDITORS

The External Auditors, BDO, were first appointed at the 23rd Annual General Meeting AGM held on 17th October, 2024 and being eligible for reappointment have expressed willingness to continue in office. Therefore, in accordance with the provisions of Section 167(2) of the Companies Act, 2012, a resolution would be proposed at the next AGM to re-appoint BDO as External Auditors and authorize the Board of Directors to determine their remuneration.

BY ORDER OF THE BOARD



Elias EDU, Esq
COMPANY SECRETARY

29 April _____, 2025
KAMPALA

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Group`s directors are responsible for the preparation and presentation of the separate and consolidated financial statements that give true and fair view of NIC Holdings Limited comprising the Statement of financial position as at 31 December 2024, the Statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cashflows for the year ended 31 December 2024 and the Notes to the financial statements as set out on pages 49 - 156, including material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and have been prepared in the manner required by the Companies Act CAP 106 Laws of Uganda.

The Group`s directors are also responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Group`s ability to continue as a going concern and are confident that there are adequate plans and initiatives to ensure the Company will continue to operate as a going concern in the year ahead.

Approval of the consolidated and separate financial statements

The Consolidated and separate financial statements of NIC Holdings Limited, as identified in the first paragraph for the year ended 31 December 2024 were approved by the Board of Directors on and authorised for issue on 29 April, 2025



Dr. Alan Shonubi
Chairman



Bayo Folayan
Managing Director

Date 29 April, 2025

INDEPENDENT AUDITOR'S REPORT



To the Shareholders of NIC Holdings Limited

Report on the Audit of the Consolidated and
Separate Financial Statements



OPINION

We have audited the consolidated and separate financial statements of NIC Holdings Limited ("the Group" and "the Company"), which comprise:

- the consolidated and separate statements of financial position as at 31 December 2024,
- the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and,
- notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of, the consolidated and separate financial position of the Group and Company as at 31 December 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act Cap. 106 laws of Uganda, and the Insurance Act Cap. 192 laws of Uganda.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), as applicable to audits of consolidated and separate financial statements of public interest entities in Uganda. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

(a) Capital Adequacy Ratio (CAR)

We draw attention to Note 7(B)(d) of the consolidated and separate financial statements, which discloses the details of the NIC Life Assurance Company Limited (the "Subsidiary") capital requirements including Capital Adequacy Ratio (CAR) which is below the minimum percentage of 200% as per Insurance (Capital Adequacy and Prudential Requirements) regulations, 2020. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

1 Valuation of insurance and reinsurance contract liabilities/ assets

Key Audit Matter

This is a key audit matter due to the degree of judgment and estimation required in determination of insurance and reinsurance contract liabilities and/or assets. The significant judgements involved in determining the insurance and reinsurance contract liabilities/assets include estimation of discount rate (DR) used in determination of discounted best estimate liabilities (BEL) and risk adjustment (RA) for non-financial risks. Other related areas requiring significant judgements or estimations or underlying assumptions included but not limited to; determination of loss component, premium deficiency provision, grouping of insurance and reinsurance contracts, materiality under premium allocation approach (PAA) eligibility test, estimation of coverage units, determination of contractual service margin (CSM), and determining non-directly attributable expenses.

Related Disclosures

Refer to Note 4.2.1 for the material accounting policy information on the insurance contract and reinsurance contract liabilities/assets, and for descriptions of the underlying assumptions used in determining the discount rates, the risk adjustments for the non-financial risks, and among other related areas involving significant estimates and/or judgements. The methodologies or approaches and key output of measuring the insurance contract liabilities/assets and reinsurance contract liabilities/assets are further described in Notes 4.21, 26, and 27 of the financial statements.

Audit Response

- We assessed and challenged the applied valuation methodology(ies), reviewed actuary's assumptions in compliance with the actuarial guidance, and validated applied methodology(ies) with underlying assumptions against the Group's material accounting policies and requirements of IFRS 17 Insurance Contracts and guidelines issued by Uganda's Insurance Regulatory Authority.
- We tested the design, implementation, and operating effectiveness of both management controls over the measurement model and information technology (IT) application controls related to insurance revenue and insurance contract liabilities, including assessments to ensure that changes to the model or system have been appropriately tested.
- We reviewed the applied discount rate with approach used, assessed assumptions per the Group's policy, assessed adequacy of computed best estimate liability (BEL) and evaluated reasonableness of such assumptions or inputs like source of risk-free rate against the external market data.
- We obtained and reviewed actuary's workings for the PAA eligibility test, and further obtained the justification of actuary's basis of evaluating materiality of variance between the liability for remaining coverage using PAA and General Measurement Method (GMM).
- We reviewed the accuracy of applied risk adjustment (RA) with the approach used, assessed underlying assumptions for non-financial risk adjustment, and evaluated inputs against the best practice and guidelines stipulated by IFRS 17 Accounting Standard. We also evaluated the reasonableness of the adopted confidence level while calculating risk adjustment.
- We reviewed the applied discount rate with approach used, assessed assumptions per the Group's policy, assessed adequacy of computed best estimate liability (BEL) and evaluated reasonableness of such assumptions or inputs like source of risk-free rate against the external market data.
- We obtained and reviewed actuary's workings for the PAA eligibility test, and further obtained the justification of actuary's basis of evaluating materiality of variance between the liability for remaining coverage using PAA and General Measurement Method (GMM).
- We reviewed the accuracy of applied risk adjustment (RA) with the approach used, assessed underlying assumptions for non-financial risk adjustment, and evaluated inputs against the best practice and guidelines stipulated by IFRS 17 Accounting Standard. We also evaluated the reasonableness of the adopted confidence level while calculating risk adjustment.
- We involved an internal actuary as a specialist to support in technically reviewing the insurance liabilities valuation report, especially assessment of methodologies, analysis of assumptions, and validation of data inputs, and review estimations/judgements/assumptions to confirm compliance with actuarial standards and the requirements of IFRS 17 Insurance Contracts.
- We reviewed disclosures in the consolidated and separate financial statements for completeness and adequacy, in line with IFRS 17 Insurance Contract and for reinsurance contracts.

OTHER MATTERS

The consolidated and separate financial statements of NIC Holdings Limited for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion in a report dated 17 September 2024.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the NIC Holdings Limited Annual Report and Consolidated and Separate Financial Statements for the year ended 31 December 2024 but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report and the other information expected to be included in the Annual Report 2024, which is expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information, which we do not and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Insurance Act Cap. 192 laws of Uganda and Companies Act Cap. 106 laws of Uganda, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and/or the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process of the consolidated and separate financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

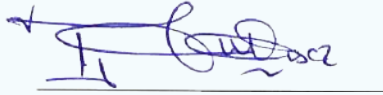
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies Act Cap. 106 of the Laws of Uganda, we report to you based on our audit, that

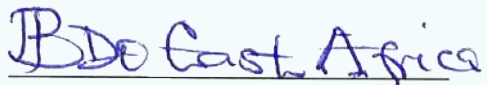
- (i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.
- (ii) In our opinion, proper books of account have been kept by the Group and the Company, so far as appears from our examination of those books; and
- (iii) The Group's and the Company's consolidated and separate statements of financial position (balance sheet) and consolidated and separate statements of profit or loss and other comprehensive income (income statement) are in agreement with the books of account.

As required by the Insurance Act Cap. 192 Laws of Uganda, we report to you, solely based on our audit of the consolidated and separate financial statements, that as disclosed under Note 7(B)(d), NIC Life Assurance Company Limited's ("Subsidiary") capital adequacy ratio (CAR) as at 31 December 2024 was below 200% required by the Capital Adequacy and Prudential Requirements 2020.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Nicholus Mushabenta — holding a practicing license number — P0507



Nicholus Mushabenta
Partner



BDO East Africa,
Certified Public Accountants of Uganda,
P.O Box 9113, Kampala.



Date: 30/April, 2025
Ref: A1100602N18

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024



CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

ASSETS	Notes	31 December 2024 (Ushs'000)		31 December 2023 (Ushs'000)	
		Group	Company	Group	Company
Cash and cash equivalents balances	17	1,055,893	97,276	2,468,364	11,214
Other receivables and prepayments	24a	2,248,283	2,034,777	2,508,725	1,729,440
Reinsurance Contract assets	19	-	-	843,886	-
Financial Assets:					
-Fair value through Profit or loss	18a	1,970,496	-	2,571,831	-
-At fair value through other comprehensive income	18b	4,138,470	-	6,259,772	-
-At amortized cost	18c	12,405,042	-	11,505,384	-
Statutory deposits at amortised cost	25	1,199,857	-	1,207,865	-
Investment in subsidiaries	20	-	10,685,765	-	10,685,765
Investment properties	21	55,740,100	7,350,000	55,735,099	7,350,000
Property and equipment and right of use asset*	23a	12,678,668	-	13,403,939	-
Intangible Assets	23b	-	-	62,028	-
TOTAL ASSETS		91,436,809	20,167,818	96,566,893	19,776,419
LIABILITIES					
Bank Overdraft	31	-	-	-	-
Other payables and accruals and lease liabilities	29	22,471,116	1,877,642	21,310,951	2,763,985
Income tax payable	14c	4,903,429	53,147	4,640,340	64,395
Dividend payable	30	1,344,025	1,344,025	1,349,104	1,349,104
Insurance contract liabilities	26	6,804,038	-	15,055,835	-
Reinsurance contract liabilities	27	1,235,590	-	402,240	-
Investment contract liabilities	28	4,654,708	-	4,768,589	-
Loans and borrowing	31	6,254,053	6,254,053	5,539,560	5,022,387
Deferred tax liabilities	22	2,067,439	-	2,609,370	-
TOTAL LIABILITIES		49,734,398	9,528,867	55,675,989	9,199,871
NET ASSETS		41,702,411	10,638,951	40,890,904	10,576,548

EQUITY						
Share capital	32a	10,618,348	10,618,348	10,618,348	10,618,348	
Share premium	32b	67,417	67,417	67,417	67,417	
Other capital contribution	34	1,915,000	1,915,000	1,555,000	1,555,000	
Retained earnings	35	27,998,868	(1,961,814)	27,388,404	(1,664,217)	
Fair value reserve	36	(193,911)	-	100,968	-	
Assets revaluation reserve	37	1,296,689	-	1,160,767	-	
SHAREHOLDERS' FUNDS		41,702,411	10,638,951	40,890,904	10,576,548	

The consolidated financial statements on pages 51 to 158 were approved by the board of directors on 29th April, 2025 and



Dr. Alan Shonubi
Director



Bayo Folayan
Director

The accounting policies and notes on pages 59 to 158 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 (Ushs'000)		2023 (Ushs'000)	
		Group	Company	Group	Company
Insurance revenue	9(a)	33,404,643	-	29,983,893	-
Insurance service expenses	9(b)	(24,754,375)	-	(26,600,118)	-
Insurance service results before reinsurance contracts held		8,650,268	-	3,383,775	-
Expenses from reinsurance contracts held	9(d)	(12,729,544)	-	(11,526,152)	-
Income from reinsurance contracts held	9(d)	2,673,129	-	3,390,923	-
Net expense from reinsurance contracts held		(10,056,415)	-	(8,135,229)	-
Insurance service result		(1,406,147)	-	(4,751,454)	-
Investment income	10(a)	2,746,419	408,608	2,866,903	2,703,859
Interest income calculated using the Effective Interest method	10(c)	1,243,770	-	2,074,197	408
Expected credit loss (ECL) provision	11	1,015,716	(13,482)	(399,810)	(1,220)
Fair value (loss)/gain through profit or loss	18(a)	(601,335)	-	(629,856)	-
Fair value gain/(loss) on investment properties	21	5,001	-	682,134	(122,237)
Investment return		4,409,571	395,126	4,593,568	2,580,810
Insurance finance expense	9(c)	(549,848)	-	(502,210)	-
Reinsurance finance income	9(e)	105,718	-	56,513	-
Net finance result		(444,130)	-	(445,697)	-
Net investment and finance result		3,965,441	395,126	4,147,871	2,580,810
Other income	10(d)	342,496	128,089	995,209	(2,260)
Finance cost	12(d)	(713,075)	(583,796)	(1,472,589)	(1,347,638)
Foreign exchange gain/(loss)	15	1,621	(1,925)	7,424	653
Other expenses- non-attributable	12(b)	(1,243,144)	(154,587)	(1,273,313)	(128,246)
Net investment and finance result and net other income / (other expenses)		2,353,339	(217,093)	2,404,602	1,103,319
Profit/(loss) before taxation		947,192	(217,093)	(2,346,852)	1,103,319
Taxation (charge)/credit	14(a)	(469,988)	(80,504)	(32,105)	(94,144)
Profit/(loss) after taxation		477,204	(297,597)	(2,378,957)	1,009,175

Other comprehensive income (OCI)				
Items within OCI that may not be reclassified to Profit or Loss:				
Fair value gain on financial assets, gross of tax	18(b)	(421,256)	-	144,703
Deferred tax on gain on equity instruments measured at fair value through other comprehensive income	22(a)	126,377	-	(10,071)
		(294,879)	-	134,632
Revaluation (loss)/gain on property and equipment	23(a)(i)	192,747	-	309,161
Deferred tax on revaluation loss/gain on property and equipment	22(a)	(56,825)	-	(92,749)
		135,922	-	216,412
Other comprehensive (loss)/income net of tax		(158,957)	-	351,044
Total comprehensive profit/(loss) for the year		318,247	(297,597)	1,009,175
Earnings per share				
Basic and Diluted (Ushs)	16	0.22	(0.14)	0.48

The accounting policies and notes on pages 59 to 158 form an integral part of these consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital Ushs'000	Share premium Ushs'000	Retained Earnings Ushs'000	Fair value reserve Ushs'000	Assets revaluation reserve Ushs'000	Capital reserve Ushs'000	Contingency reserve Ushs'000	Other capital contribution Ushs'000	Total Ushs'000
At 1 January 2024	10,618,348	67,417	27,388,404	100,968	1,160,767	-	-	1,555,000	40,890,904
Profit for the year	-	-	477,204	-	-	-	-	-	477,204
Other comprehensive (loss)/income	-	-	-	(294,879)	135,922	-	-	-	(158,957)
Total comprehensive income/(loss)	-	-	477,204	(294,879)	135,922	-	-	-	318,247
Dividends declared during the year	-	-	-	-	-	-	-	-	-
Deposit for shares	-	-	-	-	-	-	-	360,000	360,000
IFRS 16 Reinstatement	-	-	133,260	-	-	-	-	-	133,260
	-	-	133,260	-	-	-	-	360,000	493,260
At 31 December 2024	10,618,348	67,417	27,998,868	(193,911)	1,296,689	-	-	1,915,000	41,702,411
At 1 January 2023	10,618,348	67,417	22,316,022	10,866	944,355	2,661,522	6,868,957	710,000	44,197,487
Effect of adoption of IFRS 16 Leases	-	-	-	-	-	-	-	-	-
Loss for the year	-	-	(2,378,957)	-	-	-	-	-	(2,378,957)
Other comprehensive Income	-	-	-	134,632	216,412	-	-	-	351,044
Total comprehensive (loss)/income	-	-	(2,378,957)	134,632	216,412	-	-	-	(2,027,913)
Dividends declared during the year	-	-	(2,123,670)	-	-	-	-	-	(2,123,670)
Transfer to contingency reserve	-	-	6,868,957	-	-	-	(6,868,957)	-	-
Transfer to capital reserve	-	-	2,661,522	-	-	(2,661,522)	-	-	-
Deposit for shares	-	-	-	-	-	-	-	845,000	845,000
Fair value Reserve on disposed shares	-	-	44,530	(44,530)	-	-	-	-	-
	-	-	7,451,339	(44,530)	-	(2,661,522)	(6,868,957)	845,000	(1,278,670)
At 31 December 2023	10,618,348	67,417	27,388,404	100,968	1,160,767	-	-	1,555,000	40,890,904

The accounting policies and notes on pages 59 to 158 form an integral part of these consolidated and separate financial statements.

	Share capital Ushs'000	Share Premium Ushs'000	Retained Earnings Ushs'000	Other capital contribution Ushs'000	Total Ushs'000
At 1 January 2024	10,618,348	67,417	(1,664,217)	1,555,000	10,576,548
Loss for the year	-	-	(297,597)	-	(297,597)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	(297,597)	-	(297,597)
Deposit for shares	-	-	-	360,000	360,000
At 31 December 2024	10,618,348	67,417	(1,961,814)	1,915,000	10,638,951
At 1 January 2023	10,618,348	67,417	(549,722)	-	10,136,043
Profit for the year	-	-	1,009,175	-	1,009,175
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	1,009,175	-	1,009,175
Dividends declared during the year	-	-	(2,123,670)	-	(2,123,670)
Deposit for shares	-	-	-	1,555,000	1,555,000
At 31 December 2023	10,618,348	67,417	(2,123,670)	1,555,000	(568,670)
			(1,664,217)	1,555,000	10,576,548

The accounting policies and notes on pages 59 to 158 form an integral part of these consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



1. GENERAL INFORMATION

NIC Holdings Limited (formerly National Insurance Corporation Limited) was established by an Act of Parliament under the National Insurance Corporation Act 1964, Laws of Uganda. It was subsequently incorporated in November 2000 as National Insurance Corporation Limited (NIC).

In 2005, NIC was privatised with the continental insurance giant, Industrial General Insurance (IGI) Plc acquiring majority (60%) stake through its special purpose vehicle, Corporate Holdings Limited. Consequently, IGI Plc became the parent company of NIC.

In 2010, the balance of 40% shares still retained by the government was sold to the public in an initial public offer (IPO) process, and NIC got listed on the Uganda Securities Exchange (USE). Therefore, the Group is a public limited liability company with 40% of shares in the Group listed on the Main Investment Market Segment (MIMS) of the Uganda Securities Exchange with effect from 25 March 2010.

The Group was a licensed composite insurance company conducting both general and long term insurance business until September 2014 when the license was withdrawn in compliance with the Insurance Act, 2011 which requires composites insurance companies to separate their general business and long term business. The Group's licensed wholly owned subsidiaries, NIC General Insurance Company Limited and NIC Life Assurance Company Limited, carried out general insurance and long term insurance businesses respectively for the year ended 31 December 2024.

Therefore, these consolidated financial statements present the combined results of its subsidiaries for the year ended 31 December 2024.

Its Registered Office is at :
Plot 3 Plikington Road,
P. O. Box 7134,
Kampala, Uganda.

2. GOING CONCERN

The Company's Directors and the Directors of subsidiaries (NIC Life Assurance Company Limited and NIC General Insurance Company Limited) performed assessments of their ability to continue as going concern and they are satisfied that the Companies have the resources to continue in business for the foreseeable future. This conclusion has been arrived at after taking into account the following:

- i. The licensed wholly owned subsidiaries are in compliance with the capital adequacy and minimum capital requirements in line with the Insurance Act Cap. 192 laws of Uganda. These are disclosed in Note 7B(d) and Note 32(a) respectively.
- ii. The Company's executive management and that of the subsidiaries, are not aware of any material uncertainties that may cast significant doubt on their ability to continue as going concern. Therefore, the consolidated and Company financial statements continued to be prepared on the going concern basis.

SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated and company financial statements are set out below

3. BASIS OF PREPARATION

3.1 Statement of compliance with International Financial Reporting Standards (IFRS)

The Group's consolidated and company financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards board (IASB) as well as IFRS Interpretations (IFRIC). Additional requirements issued by national regulators have been included where appropriate.

For purposes of reporting under the Companies Act Cap 106 laws of Uganda, the balance sheet is represented in these financial statements by the statement of financial position and the profit and loss account is represented by the statement profit or loss and other comprehensive income.

3.2 Basis of preparation

The consolidated and company financial statements have been prepared in accordance with the IFRS Accounting Standards, the Uganda Companies Act Cap 106 laws of Uganda and the Insurance Act Cap 192 laws of Uganda. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below. The consolidated and company financial statements are presented in Uganda Shillings rounded to the nearest thousand (Ushs'000).

The preparation of consolidated and company financial statements in conformity with IFRS Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated and company financial statements are disclosed.

The consolidated and separate financial statements comprise the consolidated and separate statement of financial position, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, consolidated and separate statement of cash flow and the related notes to the financial statements.

The consolidated and separate financial statements have been prepared in accordance with the going concern principle under the historical cost convention as modified by valuation of land and buildings, financial assets, financial liabilities, and investment properties at fair value through profit or loss and/ or fair value through other comprehensive income.

4. MATERIAL ACCOUNTING POLICIES

4.1 Critical Accounting Estimates and Judgments

Preparing consolidated and company financial statements in accordance with IFRS Accounting Standards requires management to make use of estimates and assumptions that affect the application of accounting principles and the reported amounts of assets, liabilities, income and contingent liabilities at the statement of financial position date as well as the reported amounts of income and expenses for the year. Critical estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these critical accounting estimates and judgments are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. That is, there is a possibility that the carrying values of assets and liabilities will change materially in the next financial year. Below are the Group's identified critical estimates and judgments:

Insurance and reinsurance contracts liabilities/assets

Critical estimates and judgments are made by the company's Directors in determining actuarial liabilities in respect of the policies issued under the General Insurance business. The group contracted an independent actuary to determine the valuation of insurance contract liabilities.

The assumptions used include:

Discount rates

The discounting of reserves was conducted using the bottom-up approach in accordance with the choices outlined in the Standard. The discount rates were determined based on the USE yield curve, as at 31 December 2024. No discounting was applied for any obligations due in less than 1 year after the valuation date.

Risk adjustment

The group has adopted a Value at Risk (VaR) approach to calibrate the size of the Risk Adjustment per class and convert this to a factor (or percentage) which is applied to the present value of future cash-flows for each class. Further, the Company has adopted a 75% in line with the regulatory requirements

Expense allocation

The group has adopted an expense allocation policy which splits the group's expenses into attributable and non-attributable expenses. The expenses relating to the company's direct investment in property, including personnel costs, repairs, maintenance, rates and utilities are non-attributable and all other expenses are attributable.

Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written. They reflect recent historical experience and are adjusted when appropriate to reflect the group's own experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by age, sex, underwriting class and contract type. An increase in mortality rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

Longevity

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the group's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are differentiated by sex, underwriting class and contract type. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the expenditure and reduce profits for the shareholders.

Lapse and surrender rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the group's experience and vary by product type, policy duration and sales trends. An increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities consistent with the long-term asset allocation strategy. These assumptions are based on current market norms as well as expectations about future economic and financial developments. An increase in investment return would lead to an increase in profits for the shareholders.

Estimate of future cash flows

This is the discounted present value of the unbiased, probability-weighted estimate of future cash flows applied to a group of insurance contracts. Cash flows are projected up until the contract boundary using probability weighted best estimate assumptions to get a best-estimate assessment of the future cashflows, such as premiums, claims, commission and expenses. The discount rate applied to give the best-estimate liability reflects the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. This is derived from observable market data.

Valuation of investment properties and property and equipment measured at revalued amount (Refer to Note 2(a) and Note 21)

Critical estimates were made by the Directors in the determination of fair value for the Group's investment properties and all property and equipment measured using the revaluation model. The fair values were properly determined by independent professional valuers using the Sales Comparison Method for land and depreciated replacement

cost approach for building by the contracted Valuers, engaged to carryout valuation as at 31 December 2024.

The approach used by the valuer involves unobservable inputs (Level 3 inputs) aimed at ascertaining fair values which reflect market conditions as at the report date. Refer to Note 21 for more details.

Property and Equipment

Significant estimates are made by the directors in determining depreciation rates for property and equipment, and when reassessing the useful lives of property and equipment measured using the cost model. The rates used are set out in Accounting Policy below. As at the year ended 31 December 2023, there were no indications of impairment on the assets held by the Group and the Company. As such, there is no impairment loss that has been recognised in the statement of profit or loss.

For property and equipment measured using revaluation model, critical assumptions are used by the valuer in determining the revalued amounts. Refer to critical accounting estimates and judgement for more details.

Financial assets at fair value through other comprehensive income

At each reporting date, the Group's management uses estimates regarding the fair value of financial assets measured at fair value through Other Comprehensive Income. These fair values are based on quoted prices in an active market (Unquoted shares). Management adopt the price paid by a new member in the most recent transaction (as reported during annual general meeting), or, adopt the new price per share as communicated by the investee especially based on new shares issued through script dividend (post annual general meeting).

Provision for expected credit losses

The Group uses a provision matrix to calculate ECLs for its financial assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating), and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (e.g., gross domestic product, unemployment rates etc.) are expected to deteriorate over the next year which can lead to a higher number of defaults, the historical default rates will be adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The information about the ECLs on the Group's financial assets is disclosed in Note 11(b).

Determination of the lease term for lease contracts with renewal and termination options (As a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects whether it is reasonably certain to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset). In most of the leases which expired during the year, the company exercised the option to renew the lease term, while for few leases, the Group exercised the option to terminate due to poor business performance at the concerned sales outlets.

Estimating the incremental borrowing rate (IBR)

The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its IBR to measure lease liabilities. The standard defines IBR as the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group clustered and estimated its IBR for leases depending on the currency and similar lease characteristics. For all lease paid in Ushs, the Group used the average commercial bank lending rate as per Bank of Uganda state of economy report of December 2024 that reported the average rates to be 17.37% for Ushs loans (2023: 18.8%) and 7.86% (2023: 9.0%) for dollar related commercial lending rate.

Income taxes (Refer to Note 14 and Note 22)

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Group establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Group and the tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing. The Group contracted an independent tax consultant for tax computation of balances to be reported in the Consolidated and Company financial statements.

However, there is currently no clear tax laws guiding the basis for the taxation of long-term insurance business. The tax law is only clear with guidelines on how to ascertain the taxable income and tax liability (if any) for short-term insurance business. It is thus important to note the following assumptions and judgments taken by the Group in relation to taxation of life business;

(i) The Group adopted best practices of tax laws and accounting. On this basis, tax computation was done with similar guidelines for short-term business.

(ii) Change in insurance contract liabilities and investment contract liabilities as per the actuarial valuation report, have been considered as allowable transactions for tax purposes as either income or expenses.

(iii) Deficit or surplus in life fund are considered too as allowable transactions for tax purposes. That is, deficit is allowed as an expense (reducing taxable income) and surplus increases taxable income.

Deferred tax

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilised. Judgement is usually required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

The Group and Company have consistently applied the following factors that set out below to all periods presented in these consolidated and Company financial statements.

Changes in the Group's and Company's accounting policies are only made if required by a standard or interpretation, or if the change results in the financial statements providing reliable and more relevant information.

4.2 Insurance, reinsurance and investment contracts – Classification

The Group issues short term (non-life) and long term (life) insurance contracts that are measured in accordance with IFRS 17 Insurance Contracts.

Products sold by the Group are classified as insurance contracts when the Group accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Group considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Group determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Group to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

4.2.1 Insurance and reinsurance contracts

(a) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments.

The Group recognizes insurance revenue as it satisfies its performance obligations - i.e., as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which it expects to receive consideration and comprises the following items:

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts which are recognized as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The company recognizes the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognized as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognizing in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage. In addition, investment contracts may also provide investment services for generating an investment return for the policyholder, but only if:

- an investment component exists, or the policyholder has a right to withdraw an amount (e.g., the policyholder's right to receive a surrender value on cancellation of a contract);
- the investment component or withdrawal amount is expected to include an investment return; and
- the company expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

Insurance Revenue- Insurance contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The company allocates the expected premium receipts to each period based on the passage of time.

(k) Loss components

Insurance contracts not measured under the PAA

For contracts not measured under the PAA, the group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts.

The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of

the present value of the future cash outflows plus the risk adjustment for nonfinancial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognized in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of the company's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

(l) Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise of the following items;

- Amortisation of insurance acquisition cash flows: For contracts measured under the PAA, the Group amortizes insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.

- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

(m) Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the company expects to recover from the reinsurance contracts.

4.2.2 Foreign currency translation

a) Functional and presentation currency

Items included in the consolidated and Company financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated and Company financial statements are presented in Uganda Shilling which is the functional currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Monetary account balances denominated in foreign currencies are retranslated using the closing rate as at the reporting date.

Monetary items denominated in foreign currencies are retranslated at the rate prevailing on the reporting date (closing rate). Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the consolidated and Company statement of profit or loss and other comprehensive income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with exchange rate as at the date of initial recognition. Translation differences on non-monetary financial instruments held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on non-monetary financial instruments measured at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss account within 'finance income or cost'. All other foreign exchange gains or losses are presented in the profit or loss account within 'other income' or other expenses.

4.2.3 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

4.2.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Group and Company classify their financial assets into the following categories: financial assets at fair value through profit or loss; financial assets at fair value through other comprehensive income and financial assets at amortized cost. The Directors determine the appropriate classification of its financial assets at initial recognition.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

4.2.5 Financial Instruments

Financial assets

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, the Group classifies and subsequently measures its financial assets as per the following three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

The financial asset is held within a business model with the objective to hold financial assets to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes, cash and cash equivalents, fixed deposits, Government securities, staff loans and sundry receivables.

Financial assets at Fair Value through OCI (equity instruments)

The Group made an irrevocable election to recognise all its unquoted equity instruments at Fair Value through other comprehensive income (FVOCI).

As a result of this election, fair value changes would not be recycled through profit or loss upon derecognition of the asset, but transferred directly within the components of equity.

Equity instruments which do not trade in an active market (unquoted shares) are fair valued using a valuation technique (income or market approach) or any recent transaction involving issue of new shares as communicated by the investee.

Financial assets at Fair Value through profit and loss

Financial assets in this category are those that are managed in a fair value business model, or that have been designated by management upon initial recognition, or are mandatorily required to be measured at fair value under IFRS 9. Management has designated all its listed equity instruments at fair value through profit and loss (FVTPL) requiring all fair value changes on these instruments to be recognised in profit and loss.

De-recognizing financial assets

De-recognition other than for substantial modification

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; The Group retains the right to receive cash flows from the assets but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; Or
- The Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and the rewards of the assets, or
- has neither transferred or retained substantially all the risks and rewards of the asset, but has transferred control of the asset;

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

The continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/ or purchased option (including cash settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may re-purchase, except in the case of a put option (including a cash settled option or a similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Derecognition due to substantial modification of terms and conditions

The Group derecognises a financial asset when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new instrument, with the difference recognised as a derecognition gain or loss. In the case of debt instruments at amortized cost, the newly recognised loans are classified as Stage 1 for ECL measurement purposes. This is based on the fact that affected debt instruments are; policy loans and staff loans, which are secured or guaranteed.

When assessing whether or not to derecognise an instrument, amongst others, the Group considers the following factors:

- (a) Change in currency of the debt instrument
- (b) Introduction of an equity feature
- (c) Change in counterparty
- (d) If the modification is such that the instrument would no longer meet the SPPI criterion

If the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition, the Group recalculates the gross carrying amount of the financial asset and recognises a modification gain or loss in profit or loss. The gross carrying amount of the financial asset is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate or, when applicable, the revised effective interest rate calculated. Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

4.2.6 Financial Instruments

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the appropriate effective interest rate.

The determined ECLs for the period are presented separately in the statement of profit or loss and other comprehensive income under a line "Increase or decrease in expected credit losses"

ECLs are recognized in three (3) stages; 12 months (Stage 1) and Lifetime (Stages 2-3). For credit exposures for which there has not been a significant increase in credit risk (SICR) since initial recognition, 12-months ECLs are provided for credit losses that result from default events that are possible within the next 12-months. That is, apply to all items as long as there is no significant deterioration in credit risk. In line with the standard, the Group recognises lifetime ECLs only when a significant increase in credit risk has occurred on an individual or collective basis.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group's debt instruments comprise mainly of Treasury bills, amounts due from related parties and fixed deposits with financial institutions. It is the Group's policy to measure ECLs on such instruments on a monthly

basis. Where the credit risk of any debt instrument deteriorates, the Group will recognize an allowance for lifetime expected credit losses (ECLs). The ECL on staff loans relates to provision on balances before introduction of the policy requiring staff to provide guarantors if their retirement benefits cannot fully cover the loan applied for.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

The calculation of ECLs

The Group based its ECL computation on the key risk parameters of Probability of Default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD"). The following factors were considered when assessing each of the parameters;

Probability of Default

The Probability of Default is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forwardlooking information. The Group considers a financial asset to be in default (credit impaired) when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The below listed factors were considered in assessing the Probability of Default;

- Assessment of the credit worthiness of the customer
- Likelihood that the borrower will default within one year
- Transformation of the one year horizon into lifetime

Loss Given Default

- Expected Credit loss in case of default (under consideration of recoveries from collateral)

Exposure at Default

- Expected Credit exposure at the time of default
- Expected EAD profile over time taking into account the behavioral patterns

The Calculation of ECL incorporates forward looking information and is not entirely based on historical data provided. Thus in cases where no historical default has occurred, an allowance has been made for a possible default occurring in the future by selection of an appropriate probability of default.

The Group considers reasonable and supportable forward-looking information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment. Example of micro economic factors considered include changes in inflation rate, GDP rate and interest rates.

The 3 stage model has been applied dependent on the credit quality of an asset since initial recognition with recognition of 12 month expected credit losses under stage 1, lifetime expected credit losses under stage 2 and lifetime expected credit losses under stage 3 for the credit-impaired assets.

Management relied on publicly available information to rate financial institutions and used proxy rating guides (including Bank Tiers) when financial institutions were not rated. PDs were selected based on these ratings and industry study of assets of the same asset classes. Considerations were made to Government securities as management was of the view that these assets hold a low credit risk charge. In light of this, the Government securities were rated in the High grade category to reflect the above assumption.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs.

Subsequent measurement

The financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to other payables and accruals and lease liabilities, and amount due to related parties.

Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any adjustment for transaction costs.

For other financial instruments other than investment in equity instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Their fair value is determined using a valuation model that has been tested against prices or inputs to actual market transactions and using the Group's best estimate of the most appropriate model assumptions.

For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market-related rate for a similar instrument, in this case the yield rate for treasury bills and treasury bonds. The use of different pricing models and assumptions could produce materially different estimates of fair values.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

4.2.7 Other receivables and prepayments

These include other receivables other than staff loans and policy loans, and are mainly rent receivables, group life premium debtors, and withholding tax recoverable. Receivables are stated at their original invoiced value, as the interest that would be recognized from discounting future cash receipts over the short credit period is not considered to be material. These receivables are reduced by appropriate allowances for estimated irrecoverable amounts, as per Group's policy.

Interest on overdue receivables is recognized as it accrues. Other receivables are derecognised when the rights to receive cash flows from the asset have expired, and in particular, when all efforts to recover the debts from tenants who left yield nothing.

4.2.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings

using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction cost of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the statement of financial position.

4.2.9 Investment property

Buildings, or part of a building, (freehold or held under a finance lease) and land (freehold or held under an operating lease) held for long term rental yields and/or capital appreciation and are not occupied by the Group are classified as investment property under non-current assets.

Investment property is carried at fair value, representing open market value determined annually by independent valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as discounted cash flow projections or recent prices in less active markets. These valuations are reviewed annually by an independent valuation expert. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value. Changes in fair values are recorded in the consolidated statement of profit or loss and other comprehensive income.

4.2.10 Property and equipment

Leasehold land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

An asset's carrying amount is written down immediately to its estimated recoverable amount (being the higher of fair value costs to sell and value in use) if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are included in the profit or loss.

The revaluation surplus included in equity in respect of an item of PPE is directly transferred to retained earnings when the respective asset is derecognised.

Depreciation of property and equipment

Depreciation is provided on a straight line basis at the following annual rates which are expected to write off the cost or valuation of property and equipment over their estimated useful lives:

The rates of depreciation used are as follows:

Motor vehicles	25.00%
Furniture and equipment	12.50%
Computer equipment	30.00%
Buildings	3.00%
Leasehold properties	The shorter of the useful life of the asset and lease period

The annual depreciation expenses is recognised in the profit or loss.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

4.2.11 Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessor

Leases where the Group does not transfer substantially all the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned on straight line basis based on the contractual terms of the lease under investment income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. However, the Group had no finance lease contracts during the year, as a lessor. Rental income, minimum rental receivable, and related disclosures of operating lease contracts in which the Group was a lessor are disclosed under Note 9(d)(i).

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Property and Equipment (PPE) and disclosed under the same Note to the financial statements, and are subject to impairment in line with the Group's policy.

Right of use of assets (ROU) represents the Group's right to use several office premises for its branches and sales outlets across the country arising from various lease agreements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group's lease liabilities are presented within and disclosed under Other Payables.

4.2.12 Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. The Group acquired an IT software (AIMS) which it uses in carrying out day-to-day operations such as underwriting, reinsurance, claims processing and financial reporting among others.

Purchase cost of intangible assets are capitalised at initial recognition and amortised at the rate of 30% per annum. Substantial cost subsequently incurred on major upgrades are capitalised and amortized. Annual licensing fees are expensed as part of computer expenses in the year they are incurred.

4.2.13 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any conditions exist, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units, or CGU). When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using pre-tax discounted rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into consideration. If no such transactions can be identified, an appropriate valuation model is used.

Assets that have an indefinite useful life – for example, land – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

4.2.14 Dividends

Dividends on ordinary shares are payable out of the Distributable profits of the Group and are recognised in equity in the period in which they are approved by the Group's shareholders. Dividends proposed by the Directors but not yet approved by shareholders are disclosed in the consolidated and separate financial statements in accordance with the requirements of the Companies Act, CAP 106 Laws of Uganda.

4.2.15 Share capital

The Group's issued ordinary shares are classified as equity instruments. Incremental external costs that are directly attributable to the issue of these shares are recognized in equity.

4.2.16 Share Premium

This represents the excess amount paid by shareholders on the nominal value of the shares. This amount is distributable to the shareholders at their discretion. The share premium is classified as an equity instrument in the statement of financial position.

4.2.17 Asset Revaluation Reserve

Subsequent to initial recognition, an item of property and equipment and, in certain circumstances, an intangible asset, may be revalued to fair value. However, if such an item is revalued, the whole class of asset to which that asset belongs has to be revalued. The revaluation surplus is recognised in other comprehensive income (OCI), unless it reverses a decrease in the fair value of the same asset which was previously recognised as an expense, in which case it is recognised in the statement of profit or loss. A subsequent decrease in the fair value is charged against this reserve in OCI to the extent that there is a credit balance relating to the same asset, with the balance being recognised in the income statement.

4.2.18 Fair Value Reserve

The fair-value reserves comprises the cumulative net change in the fair value of the Group's fair value through OCI investments (unquoted equity investment). Net fair value movements are never recycled to profit or loss if the underlying investment is derecognised. They are instead directly transferred from this reserve to retained earnings.

4.2.19 Taxation

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Withholding tax as a final tax on Government securities forms part of the current tax for the year as this is charged against interest income earned from these Government securities and is withheld from the Group at source.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realisable or the deferred income tax liability is payable.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred tax related to fair value re-measurement of financial assets at fair value through OCI, which are charged or credited directly in other comprehensive income, is also credited or charged directly to other comprehensive income and subsequently recognised in the consolidated income statement together with the deferred gain or loss.

4.2.20 Related party transactions

IAS 24, 'Related party disclosures defined a related party as a person or entity that is related to the entity that is preparing its financial statements. It also provided clarification on forms and nature of relationships which

are deemed as "related party". This include:

- (a) A person or a close member of that person's family is related to a reporting entity if that person has control or joint control or significant influence or a key management personnel of the reporting entity; or
- (b) An entity belong to the same group of the reporting entity; or one entity is an associate or joint venture of the other entity; or both entities are joint venture of a third party; or the entity is controlled or jointly controlled by a person identified in (a).

Transactions between the Group and it's "related party" entities are governed by an approved transfer pricing policy. Related party entities and transactions with them are discloses in note 39.

4.2.21 Investment contracts

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. These mainly include Deposit Administration Plan (DAP) and Managed funds. Investment contracts can be classified into interest linked and unitized fund. Investment contracts with guaranteed returns (interest linked) and other business of a savings nature are recognized as financial liabilities at fair value through profit or loss (FVTPL). The fair value is the amount payable on demand because the holders can cancel their contracts at any time after contract inception. Interest accruing to the contract holders from investment of the savings is recognized in the revenue account of deposit administration plan in the year it is earned.

Interest paid and due to depositors plus associated operating costs of running the deposit administration plan are recognized as expenses in the revenue account of the deposit administration plan. The net result of the deposit administration revenue account is transferred to the statement of profit or loss and other comprehensive income of the Group.

The DAP scheme was discontinued in July 2019. The company has put in place necessary arrangements to transfer accumulated fund under the old pension plan.

Tranfers are recorded directly as an adjustment to the liability in the statement of financial position. A reconciliation is prepared thereof and included in the Group's notes to the financial statements. See Note 9(c) of the notes to the financials. The liability is derecognized when the contract is discharged.

The DAP Scheme is still measured as the full amount of the fund standing to the credit of the scheme including interest at the guaranteed rates at the valuation date.
There is no unit-linked fund.

4.2.22 Investment and other income

a) Investment income

The Group has investment properties upon which rental income is generated. This is recognised in the Group's consolidated statement of profit or loss and other comprehensive income, on accrual basis. Thus, recognised as and when rental income is earned.

The Group also has investments in quoted shares and unquoted shares upon which dividends are received as and whey they are declared by the investees. Dividend income is recognized in the Group's consolidated statement of profit or loss and other comprehensive income when the right to receive payment of dividends of unquoted shares is established or on the date the security is listed as ex-dividend for quoted shares.

b) Interest income

Interest income for all interest-bearing financial instruments, including financial instruments measured at fair value through profit or loss, is recognised within 'Interest income calculated using the effective interest method' in the income statement using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

4.2.22 Investment and other income (Continued)

c) Realized gains and losses

Realized gains and losses recorded in the statement of profit or loss and other comprehensive income on investments include gains and losses on financial assets and investment properties. Gains and losses on the sale of investments are calculated as the difference between net sales proceeds and the original or amortized cost and are recorded on occurrence of the sale transaction.

4.2.23 Employee benefits

Short-term benefits

Short-term employee benefit obligations include wages, salaries and other benefits which the Group has a present obligation to pay, as a result of employees' services provided up to the reporting date. The accrual is calculated on an undiscounted basis, using current salary rates and recognised in the profit or loss.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4.2.24 Earnings per share

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period excluding treasury shares held by the Group. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.2.25 Investment in subsidiaries and Consolidation

The investment in the subsidiaries are valued at cost (using cost model) in the Company's separate financial statements.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the the date the Group ceases to control the subsidiary.

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity. Any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Subsidiary undertakings, which are those companies in which the Group directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been fully consolidated. Control is when an investor has rights to variable returns from its involvement with the Subsidiary and has the ability to affect those returns through its power over the Subsidiary. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All inter-Group transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated.

The Group reassesses annually whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control as set out under IFRS 10 Consolidated Financial Statements which include;

- power over the investee
- exposure or rights, to variable returns from involvement with investee,

- the ability to use power over the investee to affect the amount of those returns).

4.2.26 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation and disclosures in the current year.

5. i) STANDARDS AND/ OR AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS, EFFECTIVE IN THE REPORTING

The following are the applicable standards, amendments, and interpretations, effective for the first time for periods beginning on or after 1 January 2024, have been adopted by the Company as at their effective date, and none of them had a significant impact on the Company's financial statements

Standard	Effective date	Executive Summary
Supplier Finance Arrangements (Amendment to IAS 7 and IFRS 7)	1 January 2024	On 25 May 2023, the IASB issued supplier Finance Arrangements, which amended IAS 37 Statement of cash-flows and IFRS 7 Financial Instruments: Disclosures (the Amendments). These Amendments arose as a result of a submission received by the IFRS Interpretations committee (the committee) about the presentation requirements for liabilities and associated cash flow arising out of supply chain financing arrangements and related disclosures. In December 2020, the committee published an Agenda Decision supply Chain Financing Arrangements – Reverse Factoring that addressed this submission based on the requirements in IFRS Accounting standards existing at that time. During this process, the feedback from stakeholders indicated limitations of then exiting requirements to address important information needs of users to understand the effects of supplier finance arrangements on an entity's financial statements and to compare one entity with another. In response to this feedback, the IASB undertook a narrow-scope standard setting leading to the Amendments. The Amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The Amendments also provide guidance on characteristics of supplier finance arrangements.
Lease Liability in a Sale and leaseback (Amendment to IFRS 16)	1 January 2024	The IFRS Interpretations Committee issued an agenda decision in June 2020 – Sale and leaseback with Variable Payments. This matter was referred to the IASB for standard setting for some aspects. The IASB issued the final amendments in September 2022. The Amendments provide a requirement for the seller lessee to determine 'lease payments' or 'revised lease payments' in a way that seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Non-current Liabilities with covenants (Amendments to IAS1)	1 January 2024	Subsequent to the release of amendments to IAS 1 Classification of liabilities as current or Noncurrent, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.
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5. ii) STANDARDS AND/ OR AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS, ISSUED BUT NOT YET

Certain standards and/ or amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2025 or later periods, but which the Company has not early adopted. At the date of authorization of the Company's financial statements, the following applicable standards and/ or amendments were in issue but not yet effective, and the Company plans to adopt them at their effective dates;

Standard	Effective date	Executive Summary
Lack of Exchangeability (Amendment to IAS 21)	1 January 2025	On 15 August 2023, the IASB issued Lack of Exchangeability which amended IAS 21 The Effects of Changes in Foreign Exchange Rates (the Amendments). The Amendments arose as a result of a submission received by the IFRS Interpretations Committee about the determination of the exchange rate when there is a longterm lack of exchangeability. IAS 21, prior to the Amendments, did not include explicit requirements for the determination of the exchange rate when a currency is not exchangeable into another currency, which led to diversity in practice. The committee recommended that the IASB develop narrow-scope amendments to IAS 21 to address this issue. After further deliberations, the IASB issued an exposure draft of the proposed amendments to IAS 21 in April 2021 and the final amendments were issued in August 2023. The Amendments introduce requirements to assess when a currency is exchangeable into another currency and when it is not. The Amendments require an entity to estimate the spot exchange rate when it is concluded that a currency is not exchangeable into currency.

Standard	Effective date	Executive Summary
Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS7)	1 January 2025	In response to matters that had been raised to the IFRS Interpretations Committee as well as matters that arose during the post-implementation review of classification and measurement requirements of IFRS 9 Financial Instruments, in May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The Amendments modify the following requirements in IFRS 9 and IFRS 7: Derecognition of financial liabilities • Derecognition of financial liabilities settled through electronic transfers. Classification of financial assets • Elements of interest in a basic lending arrangement (the solely payments of principle and interest assessment - 'SPPI test') • Contractual terms that change the timing or amount of contractual cash flows • Financial assets with non-recourse features • Investments in contractually linked instruments Disclosures • Investments in equity instruments designated at fair value through other comprehensive income • Contractual terms that could change the timing amount of contractual cash flows. The Amendments may significantly affect how entities account for the derecognition of financial liabilities and how financial assets are classified. The Amendments permit an entity to early adopt only the amendments related to the classification of financial assets and the related disclosures and apply the remaining amendments later. This would be particularly useful to entities that wish to apply the Amendments early for financial instruments with ESG (Environmental, Social and Governance)-linked or similar features.

Standard	Effective date	Executive Summary
IFRS 18 Presentation and Disclosures in the Financial Statements	1 January 2025	IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is mandatorily effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18, which was published by the IASB on 9 April 2024, sets out significant new requirements for how financial statements are presented, with particular focus on: • The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total. • Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements. • Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

6. SEGMENT INFORMATION

The following segment information is required by IFRS 8 Operating Segments to be presented in the consolidated financial statements of a group with a parent (and in the separate or individual financial statements of an entity):

- whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets); or
- that files, or is in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market.

The principal business units of the Group, which are carried out through its licensed wholly owned subsidiaries- NIC General Insurance (General business) and NIC Life Assurance (Long term business), are as follows:

The below information justifies the factors considered by the Group when identifying its two (2) reporting segments;

The Group's management assessed and chose to organise the Group into business units based on their unique insurance services of life and non-life. Any transfer price between Group's operating segments must be on an arm's length basis in a manner similar to transactions with third parties.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of the group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss

and is measured consistently with profit or loss in the consolidated and separate financial statements.

The Group has two operating reportable operating segments as delineated below;

i General Business

General business offers non-life insurance to individual customers and businesses throughout Uganda. The categories under this segment includes Fire, Aviation and Marine, Accident and Motor. The detailed performance for the segment is as disclosed in note 6(a)(i), which reconciles with the Group's consolidated statement of profit or loss and other comprehensive income.

ii Long term business

Long term business offers life insurance products to individual customers and businesses throughout Uganda. The categories under this segment includes Life Individual, Life Group, Deposit Administration and Managed Funds. The detailed performance for the segment is as disclosed in note 6(i)(b) and 6(c)), which reconciles with the Group's consolidated statement of profit or loss and other comprehensive income.

Aggregation of operating segments into a reportable segment, and measurement

No operating segments have been aggregated to form the above reportable operating segments.

The measurement basis of profit or loss for each of the segment does not differ from the reporting Group's measurement basis. The Group's financial statements are entirely the consolidation of its two (2) wholly owned subsidiaries which double as the Group's separate operating segments. Thus, the Group's measurement basis is the same as those of the operating segments.

The Group (NIC Holdings Limited, as the reporting entity) sold 30% of its investment property (acquired through a loan facility and earned rental income on the property since the last quarter (October - December) of 2022) to NIC General in 2023. Also, the Long term business segment occupy an office space on an investment property owned by the General Business segment thereby giving rise to intra group income (rent), expenses (depreciation and lease interest), assets (right-of-use assets) and liabilities (lease liabilities). Additionally, General Business purchased group life policy from the Longterm Business and Longterm Business bought insurance from General Business to protect its assets.

Therefore, the aggregation of revenue, expenses, assets and liabilities presented in the consolidated and separate financial statements of operating segments are not the same as the revenues, expenses, assets and liabilities presented and disclosed in the Group's consolidated financial statements. As such, disclosures relating to reconciliations of the total of the reportable segments' profit or loss, assets and liabilities to the Group's (reporting entity) profit or loss, assets and liabilities are presented in note 6(d)(i) and note 6(d)(ii) respectively.

6. (a) (i) PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME - GENERAL BUSINESS (Reportable segment)

	2024 Ushs'000	2023 Ushs'000
Insurance revenue	31,676,345	29,076,334
Insurance service expenses	<u>(21,740,579)</u>	<u>(23,536,153)</u>
Insurance service results before reinsurance contract held	<u>9,935,766</u>	<u>5,540,181</u>
Expenses from reinsurance contracts held	(12,729,544)	(11,439,743)
Income from reinsurance contracts held	<u>2,673,130</u>	<u>3,407,929</u>
Net expenses from reinsurance contract held	<u>(10,056,414)</u>	<u>(8,031,814)</u>
Insurance service result	<u>(120,648)</u>	<u>(2,491,633)</u>
Investment income	2,221,899	2,051,331
Interest income calculated using the effective interest method	761,854	1,568,669
Net impairment loss on financial assets	1,168,866	(307,031)
Fair value loss on financial assets through profit or loss	21,746	31,907
Fair value gains on investment properties	<u>(3,332)</u>	<u>631,710</u>
Investment return	<u>4,171,033</u>	<u>3,906,586</u>
Insurance finance expenses	(250,211)	(152,699)
Reinsurance finance income	<u>105,718</u>	<u>56,513</u>
Net finance result	<u>(144,493)</u>	<u>(96,186)</u>
Net finance and investment result	<u>4,026,540</u>	<u>3,810,410</u>
Other income	179,141	494,290
Net foreign exchange income	(27,618)	6,488
Other expenses- non attributable	(656,708)	(680,083)
Other finance cost	<u>(129,279)</u>	<u>(124,951)</u>
Net finance and investment result and other income	<u>3,392,076</u>	<u>3,506,154</u>
Profit before taxation	<u>3,271,428</u>	<u>1,014,521</u>
Taxation charge	<u>(1,104,542)</u>	<u>(484,218)</u>
Profit after taxation	<u>2,166,886</u>	<u>530,303</u>
Other comprehensive income		
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):		
Losses/(Gain) on equity instruments designated at fair value through other comprehensive income	(102,929)	33,568
Deferred tax credit/(charge) on gain on equity instruments designated at fair value through other comprehensive income	<u>30,879</u>	<u>(10,071)</u>
Gain on equity instruments designated at fair value through other comprehensive income, net of tax	<u>(72,050)</u>	<u>23,497</u>
Revaluation gain on property and equipment (PPE)	192,747	309,161
Deferred tax charge on revaluation gain on property and equipment (PPE)	<u>(56,825)</u>	<u>(92,749)</u>
Revaluation gain on property and equipment (PPE), net of tax	<u>135,922</u>	<u>216,412</u>
Total other comprehensive income for the year, net of tax	<u>63,872</u>	<u>239,909</u>
Total comprehensive income for the year	<u>2,230,758</u>	<u>770,211</u>

* The segment engages in transactions with its Holding entity and other related subsidiary. Certain amounts here do not correspond to the face of the consolidated financial statements due to elimination of these related party transactions.

6(a)(ii) ASSETS AND LIABILITIES- GENERAL BUSINESS (Reportable segment)

	31 December 2024 Ushs'000	31 December 2023 Ushs'000
ASSETS		
Cash and cash equivalents balances	865,795	2,293,525
Other receivables and prepayments	2,973,954	2,205,048
Reinsurance Contract assets Held	-	802,048
Financial Assets:		
Fair value through profit or loss	443,296	421,550
Fair value through other comprehensive income OCI	2,382,853	3,798,648
At amortised cost	9,306,307	8,046,933
Statutory deposit at amortised cost	680,815	696,195
Investment properties	41,330,100	39,840,099
Property, equipment and right-of-use assets	12,662,578	13,380,007
Intangible assets	-	62,028
TOTAL ASSETS	70,645,698	71,546,081
LIABILITIES		
Bank Overdraft	-	517,173
Other payables and accruals	18,733,692	16,185,667
Dividend payable	-	50,000
Income tax payable	4,624,356	4,365,958
Reinsurance contracts liabilities	1,095,024	-
Insurance contract liabilities	4,261,954	11,174,314
Deferred tax liabilities	3,099,305	2,652,362
TOTAL LIABILITIES	31,814,332	34,945,474
NET ASSETS	38,831,366	36,600,607
EQUITY		
Share capital	6,044,348	6,044,348
Retained earnings	31,528,016	29,361,129
Fair value reserve	(37,687)	34,363
Assets revaluation reserve	1,296,689	1,160,767
SHAREHOLDERS' FUNDS	38,831,366	36,600,607

* The segment engages in transactions with its Holding entity and other related subsidiary.
Certain amounts here do not correspond to the face of the consolidated financial statements due to elimination of these related party transactions.

6(b)(i) PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE

- LONG TERM BUSINESS (Reportable segment)

			2024	2023
		Life Individual	Life Group	Total
	Note	Ushs'000	Ushs'000	Ushs'000
Insurance revenue		1,501,581	703,788	2,205,369
Insurance service expenses		(1,315,090)	(2,208,796)	(3,523,886)
Net expenses from reinsurance contract		-	-	-
Insurance service result		186,491	(1,505,008)	(1,318,517)
Interest revenue calculated using the effective interest method		86,769	395,146	481,915
Other investment income		-	303,735	303,735
Net impairment (loss)/reversal on financial assets		338	(51,372)	(51,034)
Investment return		87,107	647,508	734,615
Insurance finance expense from insurance contracts		(299,562)	(75)	(299,637)
Net financial result		(212,455)	647,433	434,978
Other income		598	39,183	39,781
Other finance cost		-	(122,643)	(122,643)
Other expenses		(55,138)	(1,120,905)	(1,176,043)
Loss before taxation		(80,504)	(2,061,940)	(2,142,443)
Income tax credit		-	715,058	715,058
Loss for the year		(80,504)	(1,346,881)	(1,427,385)
Other comprehensive income				
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Loss/Gain on equity instruments designated at fair value through other comprehensive income		(318,327)	-	(318,327)
Deferred tax credit/(charge) on gain on equity instruments designated at fair value through other comprehensive income		95,498	-	95,498
		(222,829)	-	(222,829)
Total comprehensive income for the year		(303,333)	(1,346,881)	(1,650,214)

* The segment engages in transactions with its Holding entity and other related subsidiary. Certain amounts here do not correspond to the face of the consolidated and separate financial statements due to elimination of these related party transactions

6(b)(iii) ASSETS AND LIABILITIES AS AT 31 DECEMBER 2024

- LONG-TERM BUSINESS (Reportable segment)

	Life	DAP*	2024 Total	2023
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
ASSETS				
Cash and cash equivalents balances	92,822	-	92,822	163,625
Other receivables and prepayments	221,920	-	221,920	386,098
Reinsurance Contract assets	-	-	-	411,838
Statutory deposits	519,041		519,041	511,670
Financial Assets:			-	
Measured at fair value	3,282,817	-	3,282,817	4,611,405
Measured at amortised cost	3,098,736	-	3,098,736	3,458,451
Investment properties	2,826,034	4,233,966	7,060,000	8,545,000
Property, equipment and right-of-use assets	611,013	-	611,013	670,065
Deferred tax assets	1,031,865	-	1,031,865	42,992
TOTAL ASSETS	11,684,248	4,233,966	15,918,214	18,431,144
LIABILITIES				
Other payables and accruals	3,606,637	-	3,606,637	3,368,456
Income tax payable	225,926	-	225,926	209,987
Investment Contract Liabilities	420,742	4,233,966	4,654,708	4,768,589
Reinsurance contracts liabilities	140,566	-	140,566	402,240
Insurance contract liabilities	2,542,085	-	2,542,085	3,881,521
Deferred tax liabilities	-	-	-	-
TOTAL LIABILITIES	6,935,956	4,233,966	11,169,922	12,630,793
NET ASSETS	4,748,292	-	4,748,292	5,800,351
EQUITY				
Share capital	4,574,000	-	4,574,000	4,574,000
Share premium	247,108	-	247,108	247,108
Other reserves	1,915,000		1,915,000	1,555,000
Retained earnings	(1,831,591)	-	(1,831,591)	(642,362)
Fair value reserve	(156,224)		(156,224)	66,605
SHAREHOLDERS' FUNDS	4,748,292	-	4,748,292	5,800,351

* The segment engages in transactions with its Holding entity and other related subsidiary. Certain amounts here do not correspond to the face of the consolidated financial statements due to elimination of these related party transactions.

6(c)' RECONCILIATION OF DEPOSIT ADMINISTRATION PLAN (DAP) UNDER LONG-TERM BUSINESS

6(c)(i) PAYABLES UNDER DEPOSIT ADMINISTRATION CONTRACTS

Deposit administration plan (DAP) contracts are recorded at fair value. DAP's assets and liabilities are included in the Group's statement of financial position under the subsidiary of NIC Life (Long-term business). Movements in amounts payable under deposit administration contracts during the year were as shown below:

	31-Dec-24 Ushs'000	31-Dec-23 Ushs'000
Fund balance at 1 January	4,102,127	4,482,778
Deposits received during the year	-	-
Surrenders and annuities paid	(544,055)	(743,036)
Pensions paid	(4,898)	(8,144)
Exchange difference	(30,891)	(13,812)
Administrative charges	(3,986)	(3,738)
Guaranteed interest	374,197	282,199
Other movements (Prior year adjustment)	(7,526)	-
Fund balance at 31 December	3,884,968	3,996,247
Outstanding claims	348,998	105,880
Fund and outstanding DAP claims balance at 31 December	4,233,966	4,102,127

6(c)(ii) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 FOR DAP

	Notes	31-Dec-24 DAP Ushs'000	31-Dec-23 DAP Ushs'000
ASSETS			
Cash and bank balances	16	-	-
Investment properties	23	4,233,966	4,102,127
TOTAL ASSETS		4,233,966	4,102,127
LIABILITIES			
Investment Contract Liabilities	29	4,233,966	4,102,127
TOTAL LIABILITIES		4,233,966	4,102,127
NET ASSETS		-	-

6(d)(i) GROUP PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME- RECONCILIATION

	Company	General Business	Long term Business	Consolidation Adjustment	Group	Company	General Business	Long term Business	Consolidation Adjustment	Group
		Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Insurance revenue	-	31,676,345	2,205,369	(477,071)	33,404,643	-	29,076,334	1,390,961	(483,402)	29,983,893
Insurance service expenses	-	(21,740,579)	(3,490,867)	477,071	(24,754,375)	-	(23,536,153)	(3,628,132)	584,167	(26,600,118)
Insurance service results before reinsurance contracts held	-	9,935,766	(1,285,498)	-	8,650,268	-	5,540,181	(2,237,171)	80,765	3,383,775
Expenses from reinsurance contracts held	-	(12,729,544)	-	-	(12,729,544)	-	(11,439,743)	(86,409)	-	(11,526,152)
Income from reinsurance contracts held	-	2,673,129	-	-	2,673,129	-	3,407,929	(17,006)	-	3,390,923
Net expense from reinsurance contracts held	-	(10,056,415)	-	-	(10,056,415)	-	(8,031,814)	(103,415)	-	(8,135,229)
Insurance service result	-	(120,649)	-	-	(1,406,147)	-	(2,491,633)	(2,340,586)	80,765	(4,751,454)
Investment income	408,608	2,221,899	288,231	(172,319)	2,746,419	2,703,859	2,051,331	407,902	(2,296,189)	2,866,903
Interest income calculated using the Effective Interest method	-	761,855	481,915	-	1,243,770	408	1,588,589	485,200	-	2,074,197
Net impairment loss on financial assets	(13,482)	1,168,866	(139,668)	-	1,015,716	(1,220)	(397,031)	(1,559)	-	(399,810)
Fair value loss through profit or loss	-	21,746	(623,051)	-	(601,335)	-	31,997	(681,853)	-	(629,856)
Fair value gain/(loss) on investment properties	-	(3,332)	8,333	-	5,001	(122,237)	631,710	175,000	(2,339)	682,134
Investment return	395,126	4,171,034	15,730	(172,319)	4,409,571	2,580,810	3,906,596	404,690	(2,298,528)	4,593,568
Insurance finance expenses	-	-	-	-	-	-	-	-	-	-
Insurance finance expense	-	(250,211)	(299,637)	-	(549,848)	-	(152,699)	(349,511)	-	(502,210)
Reinsurance finance income	-	105,718	-	-	105,718	-	56,513	-	-	56,513
Net finance result	-	(144,493)	(299,637)	-	(444,130)	-	(96,186)	(349,511)	-	(445,697)
Net investment and finance result	395,126	4,026,541	(283,907)	(172,319)	3,955,441	2,580,810	3,810,410	55,179	(2,298,528)	4,147,871
Other income*	128,089	179,141	35,266	-	342,496	(2,260)	494,290	217,717	285,462	995,209
Other finance cost	(563,796)	(129,279)	(122,643)	122,643	(713,075)	(1,347,638)	(124,951)	(126,007)	126,007	(1,472,589)
Net foreign exchange difference	(1,925)	(27,618)	31,164	-	1,621	653	6,488	283	-	7,424
Other expenses- non-attestable	(154,597)	(656,708)	(516,825)	84,976	(1,243,144)	(128,246)	(680,093)	(464,904)	-	(1,273,313)
Net investment and finance result and net other income / (other expenses)	(217,093)	3,392,077	(856,945)	35,300	2,353,339	1,103,319	3,506,154	(317,812)	(1,887,059)	2,404,602
Profit/(loss) before taxation	(217,093)	3,271,428	(2,142,443)	35,300	947,192	1,103,319	1,014,521	(2,659,398)	(1,806,294)	(2,346,852)
Taxation (charge)/credit	(60,504)	(1,104,542)	715,058	-	(489,988)	(94,144)	(484,218)	546,257	-	(32,105)
Profit/(loss) after taxation	(297,597)	2,166,886	(1,427,385)	35,300	477,204	1,009,175	530,303	(2,113,141)	(1,806,294)	(2,378,957)
Other comprehensive income (net of tax)	-	-	-	-	-	-	-	-	-	-
Items within OCI that may not be reclassified to Profit or Loss:	-	-	-	-	-	-	-	-	-	-
Fair value gain on financial assets, gross of tax	-	(102,929)	(318,327)	-	(421,256)	-	33,568	111,135	-	144,703
Deferred tax on gain on equity instruments measured at fair value through other comprehensive income	-	30,879	95,498	-	126,377	-	10,071	-	-	10,071
Revaluation (loss)/gain on property and equipment	-	(72,050)	(222,829)	-	(294,879)	-	43,639	111,135	-	154,774
Deferred tax on revaluation loss/gain on property and equipment	-	192,747	-	-	192,747	-	309,161	-	-	309,161
Other comprehensive income net of tax	-	(56,825)	(516,825)	-	(56,825)	-	(92,749)	-	-	(92,749)
Other comprehensive income net of tax	-	135,922	-	-	135,922	-	216,412	-	-	216,412
Total comprehensive profit/(loss) for the year	(297,597)	2,220,768	(1,650,214)	35,300	318,247	1,009,175	790,354	(2,001,006)	(1,806,294)	(2,007,771)
Earnings per share	-	-	-	-	-	-	-	-	-	-
Basic and Diluted (Ushs)	(0.14)	-	-	-	0.22	0.48	-	-	-	(1.12)

6(d)(ii) GROUP ASSETS AND LIABILITIES- RECONCILIATION

	Notes	Company	General Business	Long term Business	Consolidation Adjustment	Group 31 December 2024	Company	General Business	Long term Business	Consolidation Adjustment	Group 31 December 2023
ASSETS											
Cash and cash equivalents balances	17	97,276	Ushs'000 865,795	Ushs'000 92,822	-	Ushs'000 1,055,893	11,214	Ushs'000 2,293,524	Ushs'000 163,626	-	Ushs'000 2,468,364
Other receivables and prepayments	24a	2,034,777	2,973,954	221,920	(2,982,368)	5,230,651	1,729,440	2,205,248	386,097	(1,812,060)	4,320,785
Reinsurance Contract assets*	19	-	-	-	-	-	-	802,048	41,838	-	843,886
Financial Assets:											
-Fair value through Profit or loss	18a	-	443,296	1,527,200	-	1,970,496	-	421,550	2,150,281	-	2,571,831
-At fair value through other comprehensive income	18b	-	2,382,853	1,755,617	-	4,138,470	-	3,798,648	2,461,124	-	6,259,772
-At amortized cost	18c	-	9,306,306	3,098,735	-	12,405,041	-	8,046,933	3,458,451	-	11,505,384
Statutory deposits at amortised cost	25	-	680,816	519,041	-	1,199,857	-	696,195	511,670	-	1,207,865
Investment in subsidiaries	21	10,685,765	-	-	(10,685,765)	10,685,765	10,685,765	-	-	(10,685,765)	10,685,765
Investment properties	18	7,350,000	41,330,100	7,060,000	-	55,740,100	7,350,000	39,840,099	8,545,000	-	55,735,099
Property and equipment and right of use asset*	23a	-	12,662,578	610,914	(594,823)	13,273,492	-	13,380,007	670,055	(646,123)	14,050,062
Intangible Assets	23b	-	-	-	-	-	-	62,028	-	-	62,028
TOTAL ASSETS		20,167,818	70,645,698	14,886,249	(14,262,956)	105,699,765	19,776,419	71,546,280	18,388,142	(13,143,948)	109,710,841
LIABILITIES											
Loans and borrowings	31	6,254,053	-	-	-	6,254,053	5,022,387	517,173	-	-	5,539,560
Other payables and accruals and lease liabilities*	29	1,877,642	18,733,699	3,606,538	(1,746,763)	24,217,879	2,763,985	16,185,869	3,368,448	(1,007,351)	22,318,302
Income tax payable	14	53,147	4,624,356	225,926	-	4,903,429	64,395	4,365,958	209,987	-	4,640,340
Dividend payable	32	1,344,025	-	-	-	1,344,025	1,349,104	50,000	-	(50,000)	1,399,104
Insurance contract liabilities*	26	-	4,261,953	2,542,085	-	6,804,038	-	11,174,314	3,881,521	-	15,055,835
Reinsurance contract liabilities*	28	-	1,095,024	140,566	-	1,235,590	-	-	402,240	-	402,240
Investment contract liabilities	27	-	-	4,654,708	-	4,654,708	-	-	4,768,589	-	4,768,589
Deferred tax liabilities	22	-	3,099,304	(1,031,865)	-	2,067,439	-	2,652,362	42,992	-	2,609,370
TOTAL LIABILITIES		9,528,867	31,814,336	10,137,968	- 1,746,763	51,481,161	9,199,871	34,945,676	12,587,793	- 1,057,351	56,733,340
NET ASSETS		10,638,951	38,831,362	4,748,291	(12,516,193)	54,218,604	10,576,548	36,600,604	5,800,349	(12,086,597)	52,977,501
EQUITY											
Share capital	32a	10,618,348	6,044,348	4,574,000	(10,618,348)	21,236,696	10,618,348	6,044,348	4,574,000	(10,618,348)	21,236,696
Share premium	32b	67,417	-	247,107	(247,107)	314,524	67,417	-	247,107	(247,107)	314,524
Contingency reserve	33a	-	-	-	-	-	-	-	-	-	-
Capital reserves	33b	-	-	-	-	-	-	-	-	-	-
Deposit for shares	34	1,915,000	-	1,915,000	(1,915,000)	3,830,000	1,555,000	-	1,555,000	(1,555,000)	3,110,000
Retained earnings*	35	(1,961,814)	31,528,012	(1,831,592)	264,262	27,734,606	(1,664,217)	29,361,126	(642,363)	333,858	27,054,546
Fair value reserve	36	-	(37,687)	(156,224)	-	(193,911)	-	34,363	66,605	-	100,968
Assets revaluation reserve	37	-	1,296,689	-	-	1,296,689	-	1,160,767	-	-	1,160,767
SHAREHOLDERS' FUNDS		10,638,951	38,831,362	4,748,291	(12,516,193)	54,218,604	10,576,548	36,600,604	5,800,349	(12,086,597)	52,977,501

7. RISK MANAGEMENT POLICIES

The Group's activities expose it to a variety of risks, including insurance risk, market risk and financial risks. The Group's overall risk management programme focuses on the identification and management of risks and seeks to minimise potential adverse effects on its financial performance, by use of underwriting guidelines and capacity limits, reinsurance planning, credit policy governing the acceptance of clients, and defined criteria for the approval of reinsurers. Investment policies are in place, which help manage liquidity, and seek to maximise return within an acceptable level of interest rate risk.

The disclosures below summarise the way the Group manages key risks:

7.(A) INSURANCE RISK MANAGEMENT

The Group accepts insurance risk through its insurance contracts where it assumes the risk of loss from persons or organisations that are directly subject to the underlying loss. The Group is exposed to the uncertainty surrounding the timing, frequency and severity of claims under these contracts.

The Group manages its risk through its underwriting and reinsurance strategy within an overall risk management framework. Pricing is based on assumptions which have regard to trends and past experience. Exposures are managed by having documented underwriting limits and criteria. Reinsurance is purchased to mitigate the effect of potential loss to the Group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance policies are written with approved reinsurers on either a proportional or excess of loss treaty basis.

Regulatory capital is also managed (though not exclusively) by reference to the insurance risk to which the Group is exposed.

Exposures are managed by having documented underwriting limits and criteria. Reinsurance contracts are purchased to mitigate the effect of potential loss to the group from individual large or catastrophic events and also to provide access to specialist risks and to assist in managing capital. Reinsurance contracts are held with approved reinsurers on either a proportional or excess of loss treaty basis.

Exposure to insurance risk

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. Based on this guidance, the Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk, geographical location, lack of sound reinsurance programs and type of industry covered. However, the company's management is aware of these factors and has applied a number of strategies not limited to; product diversification, partnering with reinsurers, opening-up a number of branches across the country to cover a bigger geographical market share, among others.

(a) Non-life insurance contracts

The Group writes fire, accident, motor, aviation and marine risks primarily over a twelve month duration. The most significant risks arise from natural disasters, climate change and other catastrophes (i.e. high severity, low frequency events). A concentration of risk may also arise from a single insurance contract issued to a particular demographic type of policyholder, within a geographical location or to types of commercial business. The relative variability of the outcome is mitigated if there is a large portfolio of similar risks.

Product	Key risks	Risk mitigation
Property and casualty	-Extreme weather events	Diversification of types of risk, industries and geographic locations in which risks are written
	-Natural catastrophes	
	-Legislative changes giving rise to increased claims	Extensive analysis of data to enhance risk selection, segmentation and profitability
	-Emergence of long-tailed claims: e.g. latent disease type claims	
	-Accidents	Reinsurance with financially strong reinsurers, including excess of loss catastrophe cover

Concentration of insurance risk- Non-Life Business

The concentration of short-term insurance by type of contract is summarized below by reference to insurance contract liabilities is as per below;

	2023 Ushs'000	2023 Ushs'000
Aviation	1,460,866	3,878,378
Engineering	19,300	128,160
Fire	257,819	592,080
Marine	98,695	521,094
Miscellaneous*	255,556	134,094
Motor	1,422,366	3,252,484
Personal accident	586,137	1,413,706
Public liability	26,856	65,361
Theft	30,736	240,261
Workmen's compensation	103,625	948,696
	4,261,956	11,174,314
	Gross %	Gross %
Aviation	34.28%	34.71%
Engineering	0.45%	1.15%
Fire	6.05%	5.30%
Marine	2.32%	4.66%
Miscellaneous*	6.00%	1.20%
Motor	33.37%	29.11%
Personal accident	13.75%	12.65%
Public liability	0.63%	0.58%
Theft	0.72%	2.15%
Workmen's compensation	2.43%	8.49%
	100.00%	100.00%

*The miscellaneous policies include insurance contracts under bonds, custom bonds, electronic, travel and plate glass.

Non-life contracts are renewable annually with the exception of performance bonds and contractors all risks contracts which are based on the term of the contract which is usually 2 or 3 years. The ability to reprice contracts on renewal in response to changes in policyholder risk profiles, claims experience and market considerations is a significant mitigant to pricing risk. Contracts may also contain other features that constrain underwriting risk – e.g. the use of deductibles and capping on the maximum permitted loss or number of claims (subject to local regulatory and legislative requirements).

Claims experiences are used for specific policy holders to assess risk exposure and endeavour to optimise the pricing of non-life contracts. The possibility of weather-related calamities is built into pricing, considering trends in historical data and leading indicators of climate risk.

Reinsurance contracts are also used to mitigate the risk of incurring significant losses linked to single events, including excess of loss and stop loss reinsurance. Certain non-life businesses are required to protect against catastrophe events in accordance with local regulatory requirements. Where an individual exposure exceeds the Company's risk appetite, additional facultative reinsurance is also purchased.

Sensitivity analysis- Non-Life Business

The non-life insurance claim liabilities are sensitive to the key assumption in the table below. The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant (as discussed under note 3, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of the assumption will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in the assumption, the assumption had to be changed on an individual basis. It should be noted that movements in the assumption is nonlinear. The method used for deriving sensitivity information and the significant assumption did not change from the previous period.

	Change in assumption	Increase/ (decrease) on profit before tax	Increase/ (decrease) on equity
	%	Ushs'000	Ushs'000
31 December 2024			
Gross claims cost	± 10%	315,758	221,030
Net claims cost	± 10%	262,819	183,974
31 December 2023			
Gross claims cost	± 10%	520,489	364,342
Net claims cost	± 10%	375,385	262,770

The sensitivity analysis in relation to the changes in the discount rates adopted is as follows

	Base scenario	Discount rates +1%	Discount rates -1%
	Ushs '000	Ushs '000	Ushs '000
2024			
Aviation	1,460,866	1,475,475	1,446,258
Engineering	19,300	19,493	19,107
Fire	257,819	260,397	255,240
Marine	98,695	99,682	97,708
Miscellaneous	255,556	258,111	253,000
Motor	1,422,366	1,436,589	1,408,142
Personal accident	586,137	591,999	580,276
Public liability	26,856	27,124	26,587
Theft	30,736	31,043	30,429
Workmen's compensation	103,625	104,661	102,589
TOTAL	4,261,956	4,304,574	4,219,336
2023			
	Base scenario	Discount rates -1%	Discount rates 1%
	Ushs '000	Ushs '000	Ushs '000
Aviation	3,878,378	3,490,540	3,839,594
Engineering	128,160	115,723	126,878
Fire	592,080	534,110	586,159
Marine	521,094	469,298	515,883
Miscellaneous	134,094	121,317	132,753
Motor	3,252,484	2,928,607	3,219,959
Personal accident	1,413,706	1,282,331	1,399,569
Public liability	65,361	59,008	64,707
Theft	240,261	216,303	237,858
Workmen's compensation	948,696	858,077	939,209
TOTAL	11,174,314	10,075,114	11,062,569

The table below shows the actual claims compared with previous estimate of the undiscounted amount of claims. The table below shows the movement for the past 5 years (Ushs'000).

2023 claims development table

Loss year	2019	2020	2021	2022	2023	2024	Total
At end of year	1,319,439	1,566,567	1,550,284	1,845,929	2,295,369	2,562,208	11,139,796
One year later	651,340	1,067,397	1,008,950	1,623,858	1,844,144	-	6,195,690
Two years later	54,914	187,793	110,273	633,195	-	-	986,175
Three years later	218,199	38,941	12,426	-	-	-	269,567
Four years later	-	25,788	-	-	-	-	25,788
Five years later	5,636	-	-	-	-	-	5,636
Current estimate of cumulative claims	2,249,529	2,886,486	2,681,933	4,102,982	4,139,513	2,562,208	18,622,651
Cumulative payments to date	(2,249,529)	(2,886,486)	(2,677,783)	(4,087,082)	(3,962,817)	(1,849,079)	(17,712,775)
Prior years OCR	1,000	-	-	-	-	-	1,000
Incurred but not reported reserve	-	-	-	-	-	-	1,228,593
Unallocated loss adjustment expenses reserve	-	-	-	-	-	-	101,024
Time value of money	-	-	-	-	-	-	-274,985
Risk adjustment	-	-	-	-	-	-	284,999
Gross liability for incurred claims (LIC)	-	-	-	-	-	-	2,250,507

2024	Note	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non- Ushs'000	Total Ushs'000
Total gross liabilities for incurred claims		1,965,508	284,999	2,250,507

2023 claims development table

Loss year	2018	2019	2020	2021	2022	2023	Total
At end of year	1,053,082	1,319,439	1,566,567	1,550,284	1,845,929	3,697,865	11,033,166
One year later	955,169	651,340	1,067,397	1,008,950	1,791,876	-	5,474,732
Two years later	250,536	54,914	187,793	111,273	-	-	604,516
Three years later	19,777	218,199	38,941	-	-	-	276,917
Four years later	34,958	-	-	-	-	-	34,958
Five years later	-	-	-	-	-	-	-
Current estimate of cumulative claims	2,313,522	2,243,892	2,860,698	2,670,507	3,637,805	3,697,865	17,424,289
Cumulative payments to date	-2,313,522	-2,243,893	-2,860,698	-2,669,506	-3,469,787	-2,272,369	(15,829,775)
Prior years OCR	2,000	-	-	-	-	-	2,000
Incurred but not reported reserve	-	-	-	-	-	-	1,222,647
Unallocated loss adjustment expenses reserve	-	-	-	-	-	-	121,233
Time value of money	-	-	-	-	-	-	-289,746
Risk adjustment	-	-	-	-	-	-	386,995
Gross liability for incurred claims (LIC)	-	-	-	-	-	-	3,037,643

2023	Note	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non- Ushs'000	Total Ushs'000
Total gross liabilities for incurred claims		2,650,647	386,995	3,037,642

(b) Long-term insurance Contracts

The Group also writes a number of life products under its life group, life individual and deposit administration business lines. Risks associated with offering these insurance product are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected.
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected.
- Longevity risk – risk of loss arising due to the annuitant living longer than expected.
- Investment return risk – risk of loss arising from actual returns being different than expected.
- Expense risk – risk of loss arising from expense experience being different than expected.

Concentration of insurance risk- Long-term Business

The table below summarizes the liabilities of the long-term insurance contracts per product for as at 31 December 2024 and 31 December 2023:

Individual Life Liabilities (Ushs'000)	31 Dec 2024	31 Dec 2023
Estimate of present value of cashflows	794,927	2,455,093
Risk Adjustment (RA)	49,917	133,538
Fulfillment cashflows (FCF)	844,844	2,588,631
Contractual Service Margin in (CSM)	247,840	20,942
Liability for remaining coverage	1,092,684	2,609,573
Loss component	646,082	327,759

Group Business Liabilities (Ushs'000)	31 Dec 2024	31 Dec 2023
Fulfillment Cashflows (FCF)	353,736	257,103
Risk Adjustment (RA)	757	552
Liability for Incurred Claims (LIC)	354,493	257,655

Estimate of present value of cashflows	293,716	290,552
Loss Component	597,129	723,741
Liability for Remaining Coverage	890,845	1,014,293
Total Reserve (LIC+LRC)	1,245,338	1,271,948

Reinsurance Asset Held for Group Business (Ushs'000)	31 Dec 2024	31 Dec 2023
Fulfillment Cashflows (FCF)	-	17,407
Risk Adjustment (RA)	-	37
Asset for Incurred Claims (AIC)	-	17,444

Estimate of present value of cashflows	-	24,394
Asset for Remaining Coverage (ARC)	-	24,394
Total Reserve (AIC+ARC)	-	41,838

Sensitivity analysis- Long-term Business

Assumptions	Change in assumption	Estimate of present value of cashflows	Increase/ (decrease)	CSM	Increase/ (decrease)
	%	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Base	-	766,808	-	247,840	-
Mortality up	+5%	766,843	35	246,644	- 1,195
Mortality down	-5%	766,773	- 35	248,597	757
Longevity up	+5%	767,063	255	240,277	- 7,562
Longevity down	-5%	766,570	- 238	254,290	6,450
Expenses up	+7%	778,687	11,879	228,218	- 19,622
Expenses down	-7%	754,929	- 11,879	372,482	124,642
Interest rates up	+1.5%	763,606	- 3,201	248,171	331
Interest rates down	-1.5%	770,041	3,234	247,071	- 769

7.(B) FINANCIAL RISK MANAGEMENT

The Group monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk.

Market risk is the risk of adverse financial impact as a consequence of market movements such as currency exchange rates, interest rates and other price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities. The Group has established policies and procedures in order to manage market risk.

The Group has a risk management department charged with primary roles to ensure that risks are timely identified through Group's risk management framework. Compliance with Group's policies is monitored and exposures plus breaches are reported to the Group's audit and risk committee of the Board. Group's policies are regularly reviewed for pertinence and for changes in the risk environment.

The Group sets guidelines for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains, sufficient enough to meet obligations to policyholders and other commitments as and when they become due. Management normally endeavours to diversify and invest in various classes of financial assets and properties.

(i) Interest rate risk management

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises primarily from investments in fixed interest securities. Considering that these fixed deposits and Government securities are held for periods of 1 year or less, the roll-overs are made at differing interest rates therefore exposing the Group to interest rate risk. The Group is however not exposed to fair value interest risk as the investments are solely held for the collection of contractual cash-flows.

This risk is monitored through periodic reviews of the Group's interest bearing assets position. The Group is exposed to interest rate risk from interest bearing financial assets. (See note 12d)

For short-term insurance contracts, the Group has matched insurance liabilities with cash and cash equivalents. The non-equity portion of the financial assets in this portfolio of the Group is characterised by interest rate risk. Short-term insurance liabilities are not directly sensitive to the level of market interest rates, as they are undiscounted and contractually non-interest bearing.

The Group does not account for any fixed rate or variable rate financial assets at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date will not significantly affect the Group's net profit. There are also no financial assets held at variable interest rates. Hence a change of 500 basis point in the interest rate for these entity's instruments would result in an increase/decrease of Ushs 73.75 million in interest income recognised statement of comprehensive income for the year (2023: Ushs 98.77 million) and Ushs 51.63 million in the statement of changes in equity (2023: Ushs 69.14 million). There was a change from 100 basis points in the prior year to 500 basis points in the current year due to new information available indicating that 500 basis points is more reasonable.

2024	0 and 3 months	3 and 12 months	1 and 5 years	Over 5 years	31-Dec-24
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Assets					
Financial assets at amortised cost	5,536,252	6,868,790	-	-	12,405,042
Statutory deposit	573,873	625,984	-	-	1,199,857
	6,110,125	7,494,774	-	-	13,604,899
Liabilities					
Lease liabilities	19,679	285,701	192,665	-	498,045
Managed funds	52,824	158,472	209,446	-	420,742
Investment contract liabilities (Excluding Loans and borrowings)	-	4,233,966	-	-	4,233,966
	3,500,000	2,754,053	-	-	6,254,053
	3,572,503	7,432,192	402,111	-	11,406,806
	2,537,622	62,582	(402,111)	-	2,198,093

2023

	0 and 3 months	3 and 12 months	1 and 5 years	Over 5 years	31-Dec-23
Assets	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial assets at amortised cost	3,140,263	4,531,913	3,833,208	-	11,505,384
Statutory deposit	221,609	502,621	483,635	-	1,207,865
	3,361,872	5,034,534	4,316,843	-	12,713,249
Liabilities					
Lease liabilities	-	524,116	468,736	-	992,852
Managed funds	40,000	80,000	546,462	-	666,462
Investment contract liabilities (Excluding Loans and borrowings)	-	105,880	3,996,247	-	4,102,127
	2,211,425	3,328,135	-	-	5,539,560
	2,251,425	4,038,131	5,011,445	-	11,301,001
	1,110,447	996,403	(694,602)	-	1,412,248

(li) Equity price risk

The Group is exposed to equity securities price risk as a result of its holdings in equity investments, classified as fair value through profit or loss (quoted equity) and at fair value through other comprehensive income (unquoted equity). Exposure to equity shares in aggregate are monitored in order to ensure compliance with the relevant regulatory limits for solvency purposes. Quoted equity held are listed and traded on the Uganda Securities Exchange, while the unquoted equity are held in national (Uganda Reinsurance), regional (PTA Reinsurance) and continental (African Reinsurance).

Investment management meetings are held to discuss investment return and concentration of the equity investments.

Quoted equity securities represent 32% (31 December 2023: 29%) of total equity investments. The following analysis is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax. The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. The movements in their prices are nonlinear and the method used for deriving sensitivity information and significant variables has been maintained throughout the year.

		2024	2024	2023	2023
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Change in variables		Ushs '000	Ushs '000	Ushs '000	Ushs '000
Quoted Equities					
Uganda Clays Limited	± 10%	144,705	101,293	209,018	146,313
New Vision Limited	± 10%	31,436	22,005	31,643	22,150
Stanbic bank Uganda Limited	± 10%	17,192	12,034	14,016	9,811
Bank of Baroda Uganda	± 10%	3,717	2,602	2,506	1,754
		Impact on other comprehensive income	Impact on equity	Impact on other comprehensive income	Impact on equity
Unquoted Equities		Ushs '000	Ushs '000	Ushs '000	Ushs '000
African Reinsurance Corporation	± 10%	82,706	57,894	117,990	82,593
PTA Reinsurance	± 10%	183,307	128,315	362,112	253,478
Uganda Reinsurance	± 10%	92,855	64,999	88,777	62,144
Uganda Oil and Gas Co-insurance	± 10%	54,976	38,483	56,622	39,636

* This disclosure was not presented in the 2020 audited financial statements.

(iii) Foreign currency risk management

Foreign Exchange risk is the risk that the fair value or future cashflows of an exposure will fluctuate because of changes in foreign exchange rates. The Group undertakes certain transactions denominated in foreign currencies and hence has exposures to exchange rate fluctuation. These mainly include issuing insurance contracts in foreign currency thereby giving rise to premium debtors, reinsurance payables, commissions receivable, all in similar foreign currency. This risk has been hedged by investing in foreign currency denominated assets such as equity instruments and cash and bank balances held in foreign denominated currencies. In addition, significant credit-period arrangements are not allowed to foreign currency denominated policy holders.

The Group had the following significant foreign currency positions (all amounts expressed in Uganda Shillings):

	2024	2023
As at 31 December	Ushs'000	Ushs'000
Assets		
Cash and cash equivalent	200,913	12,377
Financial assets through OCI	3,209,883	5,367,243
	3,410,796	5,379,620
Liabilities		
Other payables, accruals and lease liabilities	215,371	181,772
	215,371	181,772
Foreign exchange gap	3,195,425	5,197,848

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the retranslated value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate	Effect on profit before tax	Effect equity
		Ushs' 000	Ushs' 000
2024	± 5%	81	57
2023	± 5%	371	260

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The key areas of exposure to credit risk for the Group are in relation to its investment portfolio, reinsurance programme and amounts due from premium debtors.

The Group manages the levels of credit risk it accepts by placing limits on its exposures to a single counterparty, or Groups of counterparty and to geographical and industry segments. Such risks are subject to regular review. Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on annual basis by reviewing their financial strength prior to finalisation of annual contracts.

In addition management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. The recent payment history of reinsurers is also used to update the reinsurance purchasing strategy.

Management information reported to the directors include details of provision for impairment on receivables and subsequent write offs. Exposures to individual policyholders and Groups of policyholders are collected within the ongoing monitoring of the controls associated with regulatory solvency. Where there exists significant exposure to individual policyholders, or homogenous Groups of policyholders, a financial analysis is carried out by management and necessary remedial actions are performed.

The following table shows the carrying value of assets that are neither past due nor impaired (< 90 days), the unimpaired balance of the assets past due (> 90 days) and the impaired balance of assets over 90 days past due as well as the ECLs recognised as at period end (Credit impaired). More details regarding Credit risk grading and ECL stages is presented in this same note for each financial asset.

As at 31 December 2024	Gross			ECL/impairment
	Total	< 90 days	> 90 days	provision
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial assets at amortised cost	12,405,042	11,283,053	930,990	190,999
Statutory deposits at amortised cost	1,199,857	989,015	209,641	1,201
Due from related parties	9,859	9,859		
Sundry debtors (excluding prepayments and tax)	2,870,320	2,083,770	1,140,631	786,550
Cash at bank	1,055,893	1,018,699		37,194
Total	17,540,971	15,384,396		1,015,944

As at 31 December 2023	Gross			ECL/impairment
	Total	< 90 days	> 90 days	provision
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial assets at amortised cost	11,505,384	10,429,793	964,763	110,828
Statutory deposits at amortised cost	1,207,865	915,385	291,271	1,209
Due from related parties	2,049	2,049		-
Sundry debtors (excluding prepayments and tax)	3,281,215	2,293,057		988,158
Cash at bank	2,468,364	2,412,077		56,287
Total	18,464,877	16,052,361	1,256,034	1,156,482

The table below provides information regarding the credit risk exposure of the Group by classifying High Grade as the highest possible rating. The amounts represent the maximum amount exposure to credit risk. The credit risk analysis below is presented in line with how the Group manages the risk. The Group manages its credit exposure based on the carrying value of the financial instruments, insurance assets and reinsurance assets.

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Group by classifying gross carrying amount of assets according to the Group's credit ratings of counterparties. It is important to note that none of the Group's financial assets measured at amortised cost was assessed with significant increase in credit risk. Thus, none of the Group's items was classified under stage 2 or stage 3 for recognition of Lifetime ECLs. All the Group's items fall within stage 1 (12-months' ECLs) as shown below;

At 31 December 2024	High grade	Standard	Past due	Total
Group	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Cash and cash equivalents (Cash at bank)	1,055,893		-	1,055,893
Government securities	4,680,055		-	4,680,055
Fixed deposits		7,621,434	-	7,621,434
Policy and staff loans	124,695		-	124,695
Statutory deposit	-		-	-
Other receivables (excluding prepayments and taxes)		2,880,179		2,880,179
Total credit exposure	5,860,643	10,501,613	-	16,362,256

At 31 December 2023	High grade	Standard	Past due	Total
Group	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Cash and cash equivalents (Cash at bank)	2,505,558		-	2,505,558
Government securities	5,029,541		-	5,029,541
Fixed deposits		6,535,668	-	6,535,668
Policy and staff loans	51,003		-	51,003
Statutory deposit	1,209,066		-	1,209,066
Other receivables (excluding prepayments and taxes)		3,283,264		3,283,264
Total credit exposure	8,795,168	9,818,932	-	18,614,100

2024	High grade	Standard	Past due	Total
<i>Company</i>	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Cash and cash equivalents	97,276	2,092,826	-	97,276
Other receivables (excluding prepayments and taxes)				2,092,826
Total credit exposure	97,276	2,092,826	-	2,190,102

2023	High grade	Standard	Past due	Total
<i>Company</i>	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Cash and cash equivalents	11,214		-	11,214
Other receivables (excluding prepayments and taxes)	-	1,793,064		1,793,064
Total credit exposure	11,214	1,793,064	-	1,804,278

Credit risk grading and ECL stages

The Group's management has assessed and concluded that there are no financial assets with significant increase in credit risk, both at an individual level and collective basis. The Group's debt instruments recorded at amortised cost relate to treasury bills, fixed deposits with highly graded commercial banks, policy loans secured by the policyholder's deposits, and staff loans secured by staff's terminal benefits. Considering all factors, management has not identified a significant increase or deterioration in credit risk for any of the Group's financial assets. Therefore, all the Group's items at amortised cost have been graded under Stage 1 with 12-months.

The table presented showcases the financial assets in terms of credit grading.

31 December 2024	Stage 1	Stage 2	Stage 3	Total
<i>Group</i>	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Internal rating grade				
Performing				
High grade	5,860,643	-	-	5,860,643
Standard grade	10,501,613	-	-	10,501,613
Sub-standard grade	-	-	-	-
Low grade	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	16,362,256	-	-	16,362,256

31 December 2023	Stage 1	Stage 2	Stage 3	Total
<i>Group</i>	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Internal rating grade				
Performing				
High grade	8,795,168	-	-	8,795,168
Standard grade	9,818,932	-	-	9,818,932
Sub-standard grade	-	-	-	-
Low grade	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	18,614,100	-	-	18,614,100

31 December 2024	Stage 1	Stage 2	Stage 3	Total
Company	Ushs'000	Ushs'000		Ushs'000
Internal rating grade				
Performing				
High grade	97,276	-	-	97,276
Standard grade	2,092,826	-	-	2,092,826
Sub-standard grade	-	-	-	-
Low grade	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	2,190,102	-	-	2,190,102

31 December 2023	Stage 1	Stage 2	Stage 3	Stage 1
Company	Ushs'000	Ushs'000		Ushs'000
Internal rating grade				
Performing				
High grade	11,214	-	-	11,214
Standard grade	1,793,064	-	-	1,793,064
Sub-standard grade	-	-	-	-
Low grade	-	-	-	-
Non-performing				
Individually impaired	-	-	-	-
Total	1,804,278	-	-	1,804,278

An analysis of the changes in the corresponding ECLs on Treasury Bills have been included below;

Government securities	12mECL	LTECL	Total
ECL as at 1 January 2024	5,074	-	5,074
ECL on new financial assets	4,693	-	4,693
Assets matured	(5,074)	-	(5,074)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2024	4,693	-	4,693
	12mECL	LTECL	Total
ECL as at 1 January 2023	12,766	-	12,766
ECL on new financial assets	5,074	-	5,074
Assets matured	(12,766)	-	(12,766)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2023	5,074	-	5,074

An analysis of the gross carrying amount of Treasury Bills has been included below;

Government securities	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	5,029,541	-	5,029,541
New assets purchased	1,082,200	-	1,082,200
Assets matured	(1,782,233)	-	(1,782,233)
Accrued interest capitalised	355,240	-	355,240
At 31 December 2024	4,684,748	-	4,684,748

Government securities	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	8,757,197	-	8,757,197
New assets purchased	310,867	-	310,867
Assets matured	(4,669,149)	-	(4,669,149)
Accrued interest capitalised	630,626	-	630,626
At 31 December 2023	5,029,541	-	5,029,541

An analysis of the changes in the corresponding ECLs on Statutory Deposits have been included below;

Statutory deposit	12mECL	LTECL	Total
ECL as at 1 January 2024	1,209	-	1,209
ECL on new financial assets	1,201	-	1,201
Assets matured	(1,209)	-	(1,209)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2024	1,201	-	1,201

Statutory deposit	12mECL	LTECL	Total
ECL as at 1 January 2023	1,547	-	1,547
ECL on new financial assets	1,209	-	1,209
Assets matured	(1,547)	-	(1,547)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2023	1,209	-	1,209

An analysis of the gross carrying amount of Statutory Deposits has been included below;

Statutory deposit	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	1,209,073	-	1,209,073
New assets purchased	776,440	-	776,440
Assets matured	(893,522)	-	(893,522)
Accrued interest capitalised	109,067	-	109,067
At 31 December 2024	1,201,058	-	1,201,058

Statutory deposit	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	1,302,705	-	1,302,705
New assets purchased	700,649	-	700,649
Assets matured	(884,895)	-	(884,895)
Accrued interest capitalised	90,615	-	90,615
At 31 December 2023	1,209,074	-	1,209,074

An analysis of the changes in the corresponding ECLs on Fixed Deposit have been included below;

Statutory deposit	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	84,612	-	84,612
New assets purchased	165,164	-	165,164
Assets matured	(84,612)	-	(84,612)
Accrued interest capitalised	-	-	-
At 31 December 2024	165,164	-	165,164

Statutory deposit	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	219,410	-	219,410
New assets purchased	84,612	-	84,612
Assets matured	(219,410)	-	(219,410)
Accrued interest capitalised	-	-	-
At 31 December 2023	84,612	-	84,612

An analysis of the gross carrying amount of Fixed Deposit has been included below;

Fixed Deposits	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	6,535,668	-	6,535,668
New assets purchased	12,077,638	-	12,077,638
Assets matured	(11,306,686)	-	(11,306,686)
Accrued interest capitalised	479,977	-	479,977
At 31 December 2024	7,786,598	-	7,786,598

Fixed Deposits	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	17,477,527	-	17,477,527
New assets purchased	32,181,693	-	32,181,693
Assets matured	(42,603,246)	-	(42,603,246)
Accrued interest capitalised	1,602,271	-	1,602,271
At 31 December 2023	8,658,245	-	8,658,245

An analysis of the changes in the corresponding ECLs on Staff loans and receivables have been included below;

Staff loans & receivables	12mECL	LTECL	12mECL
ECL as at 1 January 2024	21,142	-	21,142
Assets written-off	-	-	-
ECL on new financial assets	-	-	-
Assets matured	-	-	-
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2024	21,142	-	21,142

Staff loans & receivables	12mECL	LTECL	12mECL
ECL as at 1 January 2023	21,142	-	21,142
ECL on new financial assets	-	-	-
Assets matured	-	-	-
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2023	21,142	-	21,142

An analysis of the gross carrying amount of Staff loans & receivables has been included below;

Staff loans & receivables	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	51,003	-	51,003
Disbursement	150,660	-	150,660
Repayment	(76,968)	-	(76,968)
Assets written-off	-	-	-
Accrued interest capitalised	-	-	-
At 31 December 2024	124,695	-	124,695
Staff loans & receivables	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	174,702	-	174,702
Disbursement	67,100	-	67,100
Repayment	(190,799)	-	(190,799)
Accrued interest capitalised	-	-	-
At 31 December 2023	51,003	-	51,003

An analysis of the changes in the corresponding ECLs on Other Receivables and Prepayments have been included below;

Other receivables and prepayments

	12mECL	LTECL	Total
ECL as at 1 January 2024	1,542,958	-	1,542,958
ECL on new financial assets	786,550	-	786,550
Assets matured	(1,542,958)	-	(1,542,958)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2024	786,550	-	786,550
	12mECL	LTECL	Total
ECL as at 1 January 2023	1,514,264	-	1,514,264
ECL on new financial assets	1,542,958	-	1,542,958
Assets matured	(1,514,264)	-	(1,514,264)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2023	1,542,958	-	1,542,958

An analysis of the gross carrying amount of Other Receivables and Prepayments has been included below;

Other receivables and prepayments

	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	4,051,683	-	4,051,683
New assets purchased	3,277,679	-	3,277,679
Assets matured	(4,294,529)	-	(4,294,529)
Assets written-off	-	-	-
Accrued interest capitalised	-	-	-
At 31 December 2024	3,034,833	-	3,034,833

Other receivables and prepayments

	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	3,215,714	-	3,215,714
New assets purchased	2,858,621	-	2,858,621
Assets written-off	-	-	-
Assets matured	(2,022,652)	-	(2,022,652)
Accrued interest capitalised	-	-	-
At 31 December 2023	4,051,683	-	4,051,683

An analysis of the changes in the corresponding ECLs on Cash and Cash Equivalents have been included below;

Cash and cash equivalents

	12mECL	LTECL	Total
ECL as at 1 January 2024	56,287	-	56,287
ECL on new financial assets	37,194	-	37,194
Assets matured	(56,287)	-	(56,287)
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2024	37,194	-	37,194

Cash and cash equivalents

	12mECL	LTECL	Total
ECL as at 1 January 2023	14,331	-	14,331
ECL on new financial assets	56,287	-	56,287
Assets matured	(14,331)	-	-
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2023	56,287	-	70,618

An analysis of the gross carrying amount of Cash and Cash Equivalents has been included below;

Cash and cash equivalents

	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	2,524,651	-	2,524,651
New assets purchased	1,426,261	-	1,426,261
Assets matured	(2,857,825)	-	(2,857,825)
Accrued interest capitalised	-	-	-
At 31 December 2024	1,093,087	-	1,093,087

	12mECL	LTECL	12mECL
Gross carrying amount as at 1 January 2023	621,129	-	621,129
New assets purchased	(12,258,859)	-	(12,258,859)
Assets matured	14,162,381	-	14,162,381
Accrued interest capitalised	-	-	-
At 31 December 2023	2,524,651	-	2,524,651

Company

An analysis of the changes in the corresponding ECLs on Cash and Cash Equivalents have been included below;

Cash and cash equivalents

	12mECL	LTECL	Total
ECL as at 1 January 2024	77	-	77
ECL on new financial assets	19,057	-	19,057
Assets matured	-	-	-
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2024	19,134	-	19,134

Cash and cash equivalents

	12mECL	LTECL	Total
ECL as at 1 January 2023	11	-	11
ECL on new financial assets	66	-	66
Assets matured	-	-	-
Unwind of discount	-	-	-
Movement between 12m ECL and LTECL	-	-	-
At 31 December 2023	77	-	77

An analysis of the gross carrying amount of Cash and Cash Equivalents has been included below;

Cash and cash equivalents

	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2024	11,291	-	11,291
New assets purchased	(1,622,242)	-	(1,622,242)
Assets matured	1,727,361	-	1,727,361
Accrued interest capitalised	-	-	-
At 31 December 2024	116,410	-	16,410

	12mECL	LTECL	Total
Gross carrying amount as at 1 January 2023	-	-	-
New assets purchased	(5,903,615)	-	(5,903,615)
Assets matured	5,914,906	-	5,914,906
Accrued interest capitalised	-	-	-
At 31 December 2023	11,291	-	11,291

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash out-flows and expected reinsurance recoveries. The Group is exposed to liquidity risk arising from clients on its insurance contracts.

The following policies and procedures are in place to mitigate the Group's exposure to liquidity risk;

- The Group has a number of policies which help to minimise the liquidity risk. These include but not limited to; Accounts Manual especially with the help of budgeting process, and Investment Policy which
 - guides Group's management on how to analyse various risks including liquidity risk. Compliance with all the Group's policies is monitored by the internal audit department alongside risk department. Any exposure and breaches, are reported to the Board of Directors through the Board's Audit and Risk Committee.
- Appropriate investment decisions are taken by the Group. A sizeable proportion of investible funds is normally put in short term investment portfolio, to ensure ease of conversion to cash when claims arise.
- To ensure more liquidity, The Group's investment policy clearly states that part of the available funds should always be invested in attractive quoted stocks in Uganda and across the East African Community. The Group has always undertaken excess-of-loss reinsurance contracts. The X-Loss of reinsurance arrangements are in addition to other reinsurance treaties and related reinsurance arrangements like
 - Surplus treaty, Quota Share, among others. Such arrangements are aimed at reducing the extent of the Group's liabilities attributed to claims.

The Group primarily manages liquidity by maintaining banking facilities, continuously monitoring forecast and actual cash flows and matching the maturity profiles of assets and liabilities.

The Group manages liquidity risk from the difference in timing between claim payments and recoveries thereon from reinsurers, by "maintaining or securing borrowing facilities especially short-term bank overdrafts, and lease contracts. The Group further monitors its risk of a shortage of funds by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of assets and liabilities".

The following table summarises the maturity profile of the financial assets, financial liabilities, and insurance contract liabilities of the Group, based on remaining undiscounted contractual obligations including interest payable and interest receivable;

Group	Note	Carrying amount	Contractual Cashflow	0 and 3 Months	3 and 12 Months	1 and 5 Years
As at 31 December 2024		2024				
Assets		Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Cash and bank balances	Note 17	1,055,893	1,093,087	1,093,087	-	-
Financial assets - Fair value through Profit or loss	Note 18(a)	1,970,496	1,970,496	443,296	1,527,200	-
Financial assets - Fair value through other comprehensive income	Note 18(b)	4,138,470	4,138,470	-	-	4,138,470
Financial assets - Amortized cost (TBills, FDeposits and loans)	Note 18(c)	12,405,042	12,596,041	4,988,165	7,607,876	-
Other receivable (excluding withholding tax and prepayments)	Note 24(a)	2,093,629	2,880,179	-	2,880,179	-
Financial assets - Amortized cost (Statutory deposits)	Note 25	1,199,857	1,199,857	518,970	680,887	-
Total Assets		22,863,387	23,878,130	7,043,518	12,696,142	4,138,470
Liabilities						
Investment contract liabilities (Excluding managed fund)	Note 27	4,654,708	4,654,708	52,824	4,352,418	249,466
Sundry creditors/payables*	Note 29	15,759,423	15,759,423	947,631	14,811,792	-
Dividend payable	Note 30	1,344,025	1,344,025	-	1,344,025	-
Lease liabilities	Note 29	498,045	498,045	4,745	300,640	192,660
Loans and borrowings	Note 31	6,254,053	6,254,053	3,500,000	2,754,053	-
		28,510,254	28,510,254	4,505,200	23,562,928	442,126
Net Liquidity gap		(5,646,867)	(4,632,124)	2,538,318	(10,866,786)	3,696,344

*sundry creditors/payables excludes VAT payable and lease balances.

The following table provides a maturity analysis of the Company's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur.

31 December 2024

	Note	1 year or less Ushs'000	Between 1 and 2 years Ushs'000	Between 3 and 4 years Ushs'000	More than 4 years Ushs'000	Total Ushs'000
Reinsurance assets held	Note 19	-	-	-	-	-
Insurance contract liabilities	Note 26	(4,792,592)	-	-	-	(4,792,592)
Reinsurance contracts liabilities	Note 28	(1,235,590)	-	-	-	(1,235,590)

Group As at 31 December 2023

Assets	Carrying amount 2023 Ushs'000	Contractual Cashflow Ushs'000	0 and 3 Months Ushs'000	3 and 12 Months Ushs'000	1 and 5 Years Ushs'000
Cash and bank balances	Note 17	2,468,364	2,524,651	-	-
Financial assets - Fair value through Profit or loss	Note 18(a)	2,571,831	2,571,831	-	-
Financial assets - Fair value through other comprehensive income	Note 18(b)	6,259,772	6,259,772	6,259,772	-
Financial assets - Amortized cost (TBills, FDeposits and loans)	Note 18(c)	11,505,384	11,616,212	825,170	6,197,496
Other receivable (excluding withholding tax and prepayments)	Note 24(a)	2,195,898	2,982,448	1,998,560	345,895
Financial assets - Amortized cost (Statutory deposits)	Note 25	1,207,865	1,209,074	1,207,865	-
Total Assets		26,209,114	27,163,988	12,699,176	6,543,391

Liabilities

Investment contract liabilities	Note 27	4,768,589	114,710	3,846,838	807,041
Sundry creditors/payables*	Note 29	16,098,138	735,735	11,677,201	3,685,202
Dividend payable	Note 30	1,349,104	-	1,349,104	-
Lease liabilities	Note 29	992,852	165,274	401,763	425,815
Loans and borrowings	Note 31	5,539,560	517,173	5,022,387	-
Total Liabilities		28,748,243	1,532,892	22,297,293	4,918,058
Net Liquidity gap**		(2,539,129)	(235,151)	(9,598,117)	1,625,333

*sundry creditors/payables excludes VAT payable and lease balances.

The following table provides a maturity analysis of the Company's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur.

31 December 2023

	Note	1 year or less Ushs'000	Between 1 and 2 years Ushs'000	Between 3 and 4 years Ushs'000	More than 4 years Ushs'000	Total Ushs'000
Reinsurance assets held	Note 19	843,886	-	-	-	843,886
Insurance contract liabilities	Note 26	(207,026)	(3,088,270)	(2,609,573)	-	(5,904,869)
Reinsurance contracts liabilities	Note 28	(402,240)	-	-	-	(402,240)

Company

31 December 2024

Assets

Cash and bank balances
Other receivable (excluding prepayments)

Liabilities

Sundry creditors/payables
Dividend payable
Loans and borrowings

Net Liquidity gap**

	Carrying amount 2024	Contractual Cashflow	0 and 3 Months	3 and 12 Months	1 and 5 Years
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Note 17	97,276	116,410	-	-	-
Note 24(a)	2,034,777	2,092,826	-	2,092,826	-
	2,132,053	2,209,236	-	2,092,826	-
Note 29	1,254,128	1,254,128	-	1,254,128	-
Note 30	1,344,025	1,344,025	-	1,344,025	-
Note 31	6,254,053	6,254,053	3,500,000	2,754,053	-
	8,852,206	8,852,206	3,500,000	5,352,206	-
	(6,720,153)	(6,642,970)	(3,500,000)	(3,259,380)	-

Company

31 December 2023

Assets

Cash and bank balances
Other receivable (excluding prepayments)

Liabilities

Sundry creditors/payables
Dividend payable
Loans and borrowings

Net Liquidity gap

	Carrying amount 2023	Contractual Cashflow Demand	0 and 3 Months	3 and 12 Months	1 and 5 Years
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Note 17	22,582	11,291	11,291	-	-
Note 24(a)	1,729,440	-	-	1,729,440	-
	1,752,022	11,291	11,291	1,729,440	-
Note 29	2,146,224	2,146,224	-	2,146,224	-
Note 30	1,349,104	1,349,104	-	1,349,104	-
Note 31	5,022,387	5,022,387	-	5,022,387	-
	8,517,715	8,517,715	-	8,517,715	-
	(6,765,693)	(8,506,424)	11,291	(6,788,275)	-

In addition, the Group prepares monthly and quarterly cash budgets and projected cashflow statements, alongside quarterly management accounts. The prepared management accounts and projected cash budgets/cash-flows are used to analyse the Group's liquidity position. In case of projected net liability position, the Group's management sets in place appropriate measures like maintaining short term borrowings (overdrafts), liquidating some of the fixed deposits, establishes plan to dispose of tangible properties, among others. For instance, the Group's investment properties as at 31 December 2024 worth Ushs 55.74 billion (2023: Ushs 54.74 billion) would compensate a liquidity gap in the band of 3 to 12 months.

**For insurance contract liabilities and reinsurance assets, maturity profiles are determined based on estimated timing of net cash outflows from the recognised insurance contract liabilities. It is important to note that, unearned premium (UPR) and deferred acquisition cost (DAC), have been excluded from the analysis as they are not contractual obligations.

(d) Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern and comply with the regulators' capital requirements while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of issued capital, reserves and retained earnings. Reinsurance is also used as part of capital management.

The Group has a number of sources of capital available to it and seeks to optimise its investment securities structure in order to ensure that it can consistently maximise returns to shareholders. The Group considers not only the traditional sources of capital funding but the alternative sources of capital including reinsurance, as appropriate, when assessing its deployment and usage of capital. The Group manages as capital all items that are eligible to be treated as such for regulatory purposes.

The Group's two wholly owned insurance subsidiaries are regulated by the Insurance Regulatory Authority (IRA) and is subject to insurance solvency regulations which specify the minimum amount and type of capital that should be held in accordance with the statute.

The paid up share capital of Ushs 6 billion and Ushs4.5 billion required by the Insurance Regulation for General Business and Long-term Business respectively has been met the Group. For current financial year the group has met its target capital structure.

Capital requirements

Under the Insurance Act of Uganda, the Insurance Regulatory Authority of Uganda ("IRA") is mandated to use Risk Based Supervision (RBS) as a supervisory approach of regulating licensees for both insurance companies and HMOs on a risk sensitive basis. In 2019, IRA introduced a framework for risk-based supervision ("RBS") of licensed companies to be implemented in a phased manner between 2019 and 2024.

Capital adequacy ratio (CAR)

Capital adequacy under the RBS framework is measured based on requirements adapted from the Solvency 2 framework of the European Union which are enshrined in the Insurance (Capital Adequacy and Prudential Requirements) Regulations 2020. The regulations require insurance companies to maintain capital resources for various risks including credit risk, market risk, operational risk, concentration risk, liquidity risk, and insurance risk which are determined based on specifications set out in the regulations.

As at 31 December 2024, the capital adequacy position of the Group's wholly-owned subsidiaries are as shown below:

	NIC General		NIC Life	
Note	2024	2023	2024	2023
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Tier 1 Capital	37,573,367	35,405,474	2,989,517	4,178,746
Tier 2 Capital	5,354,909	3,847,493	2,438,382	2,422,095
Deductions	(14,992,575)	(20,145,650)	(1,639,905)	(1,597,540)
Capital available	27,935,701	19,107,317	3,787,994	5,003,301
Market Risk	9,860,502	6,130,176	1,312,657	1,312,657
Credit Risk	-	451,947	-	-
Insurance Risk	3,565,569	1,786,881	244,297	244,297
Operational Risk	3,145,608	1,920,381	1,350,000	1,350,000
Capital Required*	13,630,969	8,321,651	4,500,000	4,500,000
Capital Adequacy Ratio	205%	230%	85%	111%

*Capital Required is not the sum total of market risk, credit risk, insurance risk and operational risk. The amount stated as required capital are generated from RBS reporting template provided by the insurance regulator.

Minimum requirements:

The Insurance (Capital Adequacy and prudential requirements) regulations, 2020 requires that in addition to the minimum paid up capital, an insurer shall maintain a capital adequacy ratio of at least two hundred percent (200%). Capital required under the risk-based supervision ("RBS") framework is maximum of the Total Risk Based Capital (computed as the square root of the sum of the squares of market risk, credit risk, insurance risk and operational risk) and the absolute minimum capital required.

(e) Operational risk management

Operational risk is the risk of indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

(e) Operational risk management (Continued)

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each department. This responsibility is supported by the development of overall Group standards for the management of operational risks in the

- Requirements for appropriate segregation of duties, including the independent authorization of transactions;
- Requirements for the reconciliation and monitoring of transaction;
- Compliance with regulatory and other requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- Requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans; and
- Training and professional development and Ethical and business standards.

(f) Compliance risk management

Compliance risk management is the current and prospective risk to earnings or capital arising from violations of, or non-conformity with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. Compliance risk also arises in situations where the laws or rules governing certain Insurance products or activities of the Insurer's clients may be ambiguous or untested. This risk exposes the institution to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced franchise value, limited business opportunities, reduced expansion potential, and an inability to enforce contracts.

Quantity of Compliance Risk Indicators

The following indicators are used when assessing the quantity of compliance risk.

Low

- Violations or noncompliance issues are insignificant, as measured by their number or seriousness.

The institution has a good record of compliance. The Group has a strong control structure that has proven effective. Compliance management systems are sound and minimize the likelihood of excessive or serious future violations or non-compliance.

Moderate

- The frequency or severity of violations or non-compliance is reasonable.

The Group has a satisfactory record of compliance. Compliance management systems are adequate to avoid significant or frequent violations or noncompliance.

High

- Violations or non-compliance expose the Group to significant impairment of reputation, value, earnings, OR business opportunity.

The Group has an unsatisfactory record of compliance. Compliance management systems are deficient, reflecting an inadequate commitment to risk management

Quality of Compliance Risk Management Indicators

The following indicators are used when assessing the quality of compliance risk management:

Strong

- Management fully understands all aspects of compliance risk and exhibits a clear commitment to compliance. The commitment is communicated throughout the institution.
- Authority and accountability for compliance are clearly defined and enforced.
- Management anticipates and responds well to changes of a market, technological, or regulatory nature
- Compliance considerations are incorporated into product and system development and modification processes, including changes made by outside service providers or vendors.
- When deficiencies are identified, management promptly implements meaningful corrective action.
- Appropriate controls and systems are implemented to identify compliance problems and assess performance.
- Training programs are effective, and the necessary resources have been provided to ensure compliance.
- Compliance management process and information systems are sound, and the Group has a strong control culture that has proven effective.
- The Group's privacy policies fully consider legal and litigation concerns.

Satisfactory

- Management reasonably understands the key aspects of compliance risk. Its commitment to compliance is reasonable and satisfactorily communicated.
- Authority and accountability are defined, although some refinements may be needed.
- Management adequately responds to changes of a market, technological, or regulatory nature.
- While compliance may not be formally considered when developing products and systems, issues are typically addressed before they are fully implemented.
- Problems can be corrected in the normal course of business without a significant investment of money or management attention. Management is responsive when deficiencies are identified.
- No shortcomings of significance are evident in controls or systems. The probability of serious future violations or non-compliance is within acceptable tolerance.
- Management provides adequate resources and training given the complexity of products and operations.
- Compliance management processes and information systems are adequate to avoid significant or frequent violations or noncompliance.
- Group privacy policies adequately consider legal and litigation concerns.
- Management does not understand, or has chosen to ignore, key aspects of compliance risk. The importance of compliance is not emphasized or communicated throughout the organization.
- Management has not established or enforced accountability for compliance performance.
- Management does not anticipate or take timely or appropriate actions in response to changes of a market, technological, or regulatory nature.
- Compliance considerations are not incorporated into product and system development.
- Errors are often not detected internally, corrective action is often ineffective, or Management is unresponsive.
- The likelihood of continued violations or noncompliance is high because a corrective action program does not exist, or extended time is needed to implement
- Management has not provided adequate resources or training.
- Compliance management processes and information systems are deficient.
- Group privacy policies are nonexistent or do not consider legal and litigation concerns.

8. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

(a) Valuation models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments e.g. quoted equity securities. These items are exchange traded positions. Fair value through profit or loss assets are measured based on the share prices on the Uganda securities exchange as at the reporting date. These are shares for which reference can easily be made to the exchange in the active market and this is the major input used in the valuation of these assets. Please refer to note 17(a) for the reconciliation and fair value gains recognized on these financial instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Investment properties were measured based on Fair value of the properties as was determined using the market comparable method. The valuations have been performed by an independent valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of fair valuation on 1 January and 31 December, the properties' fair values are based on valuations performed by Bageine & Company a registered independent valuer who has valuation experience for similar office properties in Uganda. A net gain from the fair valuation of the investment properties of Ushs 5 million in 2024 (2023: Ushs 685 million) was recognized in the statement of profit or loss. Please refer to Note 21 for the related disclosures.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which market observable prices exist. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Group uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as quoted shares that use only observable market data and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The Group has an established control framework with respect to the measurement of fair values. This framework includes use of experts who reports to the Top Management, and which has overall responsibility for independently verifying the results of trading and investment operations and all significant fair value measurements.

Significant valuation issues are reported to the Group's management committee.

The table below analyses assets and liabilities measured at fair value as at 31 December 2024 (31 December 2023) by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the consolidated statement of financial position.

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Group

	Level 1 Ushs'000	Level 2 Ushs'000	Level 3 Ushs'000
Assets/(liabilities) measured at fair value (recurring) as at 31 December 2024	1,970,496	-	-
Financial assets at fair value through profit or loss (Note 18(a))		4,138,470	-
Financial assets at fair value through other comprehensive income (Note 18(b))	-	-	55,740,100
Investment property (Note 21)	-	-	11,359,900
Property and Equipment (Note 23(a))	-	-	(4,654,708)
Investment contract liabilities (Note 29)	-	-	-

	Level 1 Ushs'000	Level 2 Ushs'000	Level 3 Ushs'000
Assets/(liabilities) measured at fair value (recurring) as at 31 December 2023	2,571,831	-	-
Financial assets at fair value through profit or loss (Note 17(a))	2,571,831	-	-
Financial assets at fair value through other comprehensive income (Note 17(b))	-	6,259,772	-
Investment property (Note 23)	-	-	55,735,099
Property and Equipment (Note 25(a))	-	-	11,359,900
Investment contract liabilities (Note 29)	-	-	(4,768,589)

Company

	Level 1 Ushs'000	Level 2 Ushs'000	Level 3 Ushs'000
Assets/(liabilities) measured at fair value (recurring) as at 31 December 2024	-	-	7,350,000
Investment property (Note 21)	-	-	7,350,000

	Level 1 Ushs'000	Level 2 Ushs'000	Level 3 Ushs'000
Assets/(liabilities) measured at fair value (recurring) as at 31 December 2023	-	-	7,350,000
Investment property (Note 21)	-	-	7,350,000

There was no transfer of balances between the different fair value hierarchy levels.

The relevant details and reconciliations in regard to the level 3 financial instruments have been disclosed under note 23, note 25, and note 29.

*Investment contract liabilities exclude managed funds

Significant unobservable inputs

31 December 2024

Office properties	Estimated rental value (square meter)	Range (weighted average) Ushs 29,635 – Ushs 38,932 (Ushs 34,283)
	Estimated rental expenditure	Ushs 5,797 - Ushs. 11,593 (Ushs. 8,695)
	Vacancy factor	5% - 29% (17%)
	Discount rate	12%- 14% (13%)
Land	Price per square meter	Ushs. 4,051,600 - Ushs 5,831,200 (Ushs. 4,941,400)

31 December 2023

Office properties	Estimated rental value (square meter)	Range (weighted average) Ushs 56,622 – Ushs 62,285 (Ushs 59,454)
	Estimated rental expenditure	Ushs 22,521 - Ushs. 26,781 (Ushs. 24,651)
	Vacancy factor	3% - 5% (4%)
	Discount rate	5.2%- 6.7% (5.95%)
Land	Price per square meter	Ushs.541,898 - Ushs 9,884,219 (Ushs. 5,213,059)

The table below shows the impact of 10% change in unobservable input would have on the profit before tax and equity.

General Business			2024	2023	2024	2023
	Change in variables		Impact on profit before tax	Impact on profit before tax	Impact on equity	Impact on equity
Office space	m ²		16,156	16,156	16,156	16,156
			Ushs '000	Ushs '000	Ushs '000	Ushs '000
Estimated rental value	± 10%		664,651	1,152,647	465,256	806,853
Estimated rental expenditure	± 10%		168,572	477,914	118,000	334,540
Vacancy factor	± 10%		11,299	4,611	7,909	3,227
Discount rate	± 10%		14,984	6,801	10,489	4,760

	Change in variables		2024	2023	2024	2023
			Impact on profit before tax	Impact on profit before tax	Impact on equity	Impact on equity
Land space	m ²		12,489	12,489	12,489	12,489
			Ushs '000	Ushs '000	Ushs '000	Ushs '000
Price per square meter	± 10%		5,609,205	6,510,467	3,926,443	3,575,222

Company			2024	2023	2024	2023
	Change in variables		Impact on profit before tax	Impact on profit before tax	Impact on equity	Impact on equity
Office space	m ²		2,635	-	2,635	-
			Ushs '000	Ushs '000	Ushs '000	Ushs '000
Estimated rental value	± 10%		108,403	187,994	75,882	131,595
Estimated rental expenditure	± 10%		(27,494)	77,946	(19,246)	54,563
Vacancy factor	± 10%		1,843	940	1,290	658
Discount rate	± 10%		1,301	1,109	911	776

	Change in variables		2024	2023	2024	2023
			Impact on profit before tax	Impact on profit before tax	Impact on equity	Impact on equity
Land space	m ²		1,340	-	1,340	-
			Ushs '000	Ushs '000	Ushs '000	Ushs '000
Price per square meter	± 10%		698,550	698,550	488,985	488,985

9. INSURANCE SERVICE RESULTS

9(a) INSURANCE REVENUE

2024

Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage

- CSM recognized for services provided 973,837 973,837
- Change in risk adjustment for non-financial risk for risk expired 13,731 13,731
- Expected incurred claims and other insurance service expenses 201,722 201,722

Recovery of insurance acquisition cash flows 307,954 307,954

Contracts measured under the PAA

Company	Group		Total
Ushs`000	Life	Non Life	Ushs`000
-	1,497,244	-	1,497,244
-	623,238	31,284,161	31,907,399
-	2,120,482	31,284,161	33,404,643

INSURANCE REVENUE

2023

Contracts not measured under the PAA

Amounts relating to changes in liabilities for remaining coverage

- CSM recognized for services provided 18,762 18,762
- Change in risk adjustment for non-financial risk for risk expired 33,698 33,698
- Expected incurred claims and other insurance service expenses 174,182 174,182

Recovery of insurance acquisition cash flows 100,667 100,667

Contracts measured under the PAA

Company	Group		Total
Ushs`000	Life	Non Life	Ushs`000
-	327,309	-	327,309
-	932,910	28,723,674	29,656,584
-	1,260,219	28,723,674	29,983,893

Total insurance revenue

All the Insurance policies from which the insurance revenue is generated are issued within Uganda.

9(b) INSURANCE SERVICE EXPENSES

	Company	Group		Total
		Life	Non Life	
	Ushs`000	Ushs`000	Ushs`000	Ushs`000
Claims	-	279,953	4,225,806	4,505,759
Expenses (Note 12a)	-	2,282,858	13,875,947	16,158,805
Expected release of incurred claims over the period	-	(163,715)	(2,257,297)	(2,421,012)
Expected release of risk adjustment for incurred claims	-	(56,953)	(343,809)	(400,762)
New incurred claims over the period	-	300,828	2,023,620	2,324,448
Increase in present value and risk adjustment of incurred claims liability	-	-	(459,861)	(459,861)
Amortisation of insurance acquisition cashflow	-	347,941	4,314,871	4,662,812
Increase in losses on onerous contracts	-	415,068	(30,882)	384,186
Total Insurance service expenses	-	3,405,980	21,348,395	24,754,375

	Company	Group		Total
		Life	Non Life	
	Ushs`000	Ushs`000	Ushs`000	Ushs`000
Claims	-	654,049	4,071,349	4,725,398
Expenses (Note 12a)	-	2,873,936	14,345,243	17,219,179
Expected release of incurred claims over the period	-	(367,410)	(1,459,493)	(1,826,903)
Expected release of risk adjustment for incurred claims	-	(70,494)	(313,860)	(384,354)
New incurred claims over the period	-	(166,036)	2,668,827	2,502,791
Increase in present value and risk adjustment of incurred claims liability	-	-	85,367	85,367
Amortisation of insurance acquisition cashflow	-	180,778	3,750,766	3,931,544
Increase in losses on onerous contracts	-	311,802	35,294	347,096
Total Insurance service expenses	-	3,416,625	23,183,493	26,600,118

9(c) INSURANCE FINANCE EXPENSES FROM INSURANCE CONTRACTS

	Company	Group		Total
		Life	Non Life	
	Ushs`000	Ushs`000	Ushs`000	Ushs`000
Interest accreted	-	75	254,967	255,042
Effect of changes in interest rates on fulfillment cashflows	-	299,562	(4,756)	294,806
Total insurance finance expenses form insurance contracts	-	299,637	250,211	549,848

	Company	Group		Total
		Life	Non Life	
	Ushs`000	Ushs`000	Ushs`000	Ushs`000
Interest accreted	-	111	157,455	157,566
Effect of changes in interest rates on fulfillment cashflows	-	349,400	(4,756)	344,644
Total insurance finance expenses form insurance contracts	-	349,511	152,699	502,210

9(d) NET EXPENSES FROM REINSURANCE CONTRACTS HELD

2024	Company Ushs`000	Group		Total Ushs`000
		Life Ushs`000	Non Life Ushs`000	
Reinsurance contract expenses				
Allocation of reinsurance premiums paid	-	-	12,729,544	12,729,544
Total expense from reinsurance contracts held	-	-	12,729,544	12,729,544
Actual claims and expenses excl inv comp over the period	-	-	1,188,037	1,188,037
Expected release of incurred claims over the period	-	-	(654,185)	(654,185)
Expected release of risk adjustment for incurred claims	-	-	(99,557)	(99,557)
New incurred claims over the period	-	-	1,933,338	1,933,338
Increase in present value and risk adjustment of incurred claims liability	-	-	(1,825,842)	(1,825,842)
Release of insurance acquisition cashflows	-	-	2,143,747	2,143,747
Increase in losses on onerous contracts	-	-	(12,409)	(12,409)
Total income from reinsurance contracts held	-	-	2,673,129	2,673,129
Net expenses from reinsurance contracts	-	-	10,056,415	10,056,415
2023				
	Company Ushs`000	Group		Total Ushs`000
		Life Ushs`000	Non Life Ushs`000	
Reinsurance contract expenses				
Allocation of reinsurance premiums paid	-	86,409	11,439,743	11,526,152
Total expense from reinsurance contracts held	-	86,409	11,439,743	11,526,152
Actual claims and expenses excl inv comp over the period	-	-	1,044,167	1,044,167
Expected release of incurred claims over the period	-	-	(421,316)	(421,316)
Expected release of risk adjustment for incurred claims	-	97	(89,720)	(89,817)
New incurred claims over the period	-	-	2,560,475	2,560,475
Increase in present value and risk adjustment of incurred claims liability	-	17,444	(1,642,565)	(1,625,121)
Release of insurance acquisition cashflows	-	5,582	1,941,944	1,947,526
Increase in losses on onerous contracts	-	(39,935)	14,944	(24,991)
Total income from reinsurance contracts held	-	(17,006)	3,407,929	3,390,923
Net expenses from reinsurance contracts	-	103,415	8,031,814	8,135,229

9(e) INSURANCE FINANCE INCOME FROM REINSURANCE CONTRACTS HELD

	2024 (Ushs`000)		2023 (Ushs`000)	
	Group	Company	Group	Company In-
insurance finance income from Life	-	-	-	-
Insurance finance income from Non Life	105,718	-	56,513	-
	105,718	250,211	56,513	250,211

10(a) INVESTMENT INCOME

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Rent income	2,649,152	408,608	2,632,514	579,989
Dividends	97,267	-	234,389	2,123,870
	2,746,419	408,608	2,866,903	2,703,859

10(b) Minimum rentals receivable in which the Group is a Lessor

	2023 (Ushs'000)		2022 (Ushs'000)	
	Group	Company	Group	Company
Future minimum rentals receivable under non-cancellable operating leases as at 31 December are as follows;				
Within one year	3,127,824	644,649	2,824,562	684,139
After one year but not more than 5 years	4,618,986	694,119	6,089,602	1,276,017
More than 5 years	205,261	89,937	734,110	371,494
	7,952,071	1,428,705	9,648,274	2,331,650

The Group has entered into operating leases on its investment property portfolio. The Group's investment properties comprising of some buildings being occupied for office rentals and others for residential, are disclosed under Note 21. Most of these leases have terms of one (1) year and two (2) to three (3) years, while few have lease terms over five (5) years. All leases include a clause for fixed lease rentals, but with a provision to increase rental charge upon renewal of the current lease contract. Rental income recognised by the Group during the year is Ushs 2.65 billion (2023: Ushs 2.63 billion) as shown in note 10(a).

10(c) INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	Note	2024 (Ushs'000)		2023 (Ushs'000)	
		Group	Company	Group	Company
Interest on fixed deposits	18(c)(ii) & 25	606,073	-	1,223,129	408
Interest on treasury bills and treasury bonds		637,697	-	851,068	-
		1,243,770	-	2,074,197	408

10(d) OTHER INCOME

Gain on disposal of property and equipment- Right-of-use assets	48,419	-	-	-
Loss on disposal of property and equipment- Furniture & equipment	31,000	-	39,321	-
Loss on disposal of Land & Building (note 25(a))	-	-	-	-
Loss/gain on disposal of unquoted shares	(3,710)	-	-	-
Gain on disposal of investment property	-	-	283,123	(2,339)
Gain on disposal of held for sale property	-	-	-	-
Sundry receipts (other operating income)*	266,787	128,089	672,765	79
	342,496	128,089	995,209	(2,260)

*Other income substantially relates to share of allocated business and interest income from Uganda Agric Consortium, Uganda Oil and Gas Consortium, sales of used items of furnitures and equipments recovered in lieu of rent and income from staff loans.

10 EXPECTED CREDIT LOSS (ECL) PROVISION

Cash and cash equivalents	(18,618)	19,057	1,762	65
Financial assets at amortized cost	80,171	-	138,078	-
Other Receivables and Prepayments	208,890	(5,575)	(11,104)	1,155
Statutory deposits	(7)	-	(68)	-
Premium Receivables	(1,286,152)	-	507,298	-
	(1,015,716)	13,482	399,810	1,220

12. MANAGEMENT EXPENSES

2024	Group		Total (Ushs'000)	Company		Total (Ushs'000)
	Insurance (a)	Investment (b)		Investment (a)	Investment (b)	
Staff Cost (Note 12 (c))	8,359,606	184,123	8,543,729	-	-	-
Sales and marketing	1,867,789	-	1,867,789	-	-	-
Advertising and media	200,048	-	200,048	-	-	-
Directors fees, Board and AGM expenses	1,479,094	-	1,479,094	-	-	-
Audit, legal and other consultants fees	543,143	3,054	546,197	-	3,054	3,054
Technical management fees	514,897	-	514,897	-	-	-
Rent and rates	17,431	44,414	61,845	-	660	660
Repairs and maintenance	74,787	-	74,787	-	-	-
Repairs and maintenance of investment properties	-	131,257	131,257	-	550	550
Subscription & levy	504,911	-	504,911	-	-	-
Sundry administrative expenses	957,877	388,779	1,346,656	-	70,434	70,434
Bank charges	97,625	79,889	177,514	-	79,889	79,889
Third Party Stickers	445,870	-	445,870	-	-	-
Interest charged on managed funds	-	29,590	29,590	-	-	-
Interest on DAP	-	374,197	374,197	-	-	-
Depreciation and amortization (Note 23(a) & (b))	1,095,727	7,841	1,103,568	-	-	-
TOTAL	16,158,805	1,243,144	17,401,949	-	154,587	154,587

2023	Group		Total (Ushs'000)	Company		Total (Ushs'000)
	Insurance (a)	Investment (b)		Investment (a)	Investment (b)	
Staff Cost (Note 12 (c))	8,701,689	179,643	8,881,332	-	-	-
Sales and marketing	2,477,162	-	2,477,162	-	-	-
Advertising and media	80,900	-	80,900	-	-	-
Directors fees, Board and AGM expenses	1,641,160	-	1,641,160	-	-	-
Audit, legal and other consultants fees	854,629	-	854,629	-	-	-
Technical management fees	514,897	-	514,897	-	-	-
Rent and rates	36,425	120,687	157,112	-	21,255	21,255
Repairs and maintenance	129,793	-	129,793	-	-	-
Repairs and maintenance of investment properties	-	134,706	134,706	-	2,538	2,538
Subscription & levy	492,951	-	492,951	-	-	-
Sundry administrative expenses	720,662	434,958	1,155,620	-	104,453	104,453
Bank charges	93,693	-	93,693	-	-	-
Third Party Stickers	501,712	-	501,712	-	-	-
Interest charged on managed funds	-	30,902	30,902	-	-	-
Interest on DAP	-	282,199	282,199	-	-	-
Depreciation and amortization (Note 23(a) & (b))	973,506	90,218	1,063,724	-	-	-
TOTAL	17,219,179	1,273,313	18,492,492	-	128,246	128,246

12.(c) STAFF COSTS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Salaries	7,032,389	-	6,674,258	-
Pension fund contributions	544,320	-	454,857	-
Retirement benefit costs	591,445	-	1,479,572	-
Staff welfare costs	375,575	-	272,645	-
	8,543,729	-	8,881,332	-

12.(d) OTHER FINANCE COSTS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Interest on borrowing	634,795	583,796	1,350,403	1,347,638
Interest on lease liabilities	78,280	-	122,186	-
	713,075	583,796	1,472,589	1,347,638

13. PROFIT BEFORE TAXATION

The profit before taxation is arrived at after charging / (crediting) the following:

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Staff costs (note 12 (c))	8,543,729	-	16,129,414	-
Directors' emoluments	627,695	-	1,021,945	-
Auditors' fee	121,991	-	284,154	-
Depreciation and amortization of property, equipment, right-of-use assets and intangibles	1,070,368	13,482	2,124,639	-
Expected credit loss provision (Note 11)	(1,015,716)	1,925	(1,013,276)	1,220
Net foreign exchange (gain)/loss	(1,621)	-	394,104	-
(653) Fair value loss/(gain) on financial assets at fair value through profit or loss	601,335	-	1,233,045	-
-Fair value (gain) / loss on investment property	(5,001)	-	578,947	122,237

14. TAXATION

a) Taxation charge/(credit)

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Current taxation	663,993	80,504	426,799	94,144
Deferred tax charge (Note 24)	(472,378)	-	(597,364)	-
Withholding tax which is a final tax	278,373	-	202,670	-
Tax charge/(credit)- Profit or loss	469,988	80,504	32,105	94,144

Tax charge- OCI (Note 22)

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Fair value gain on financial assets, gross of tax	(126,377)	-	10,071	-
Revaluation (loss)/gain on property and equipment	56,825	-	92,749	-
	(69,552)	-	102,820	-
	400,436	80,504	134,925	94,144

b) Reconciliation of taxation charge

Tax on the Group's profit before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Profit before taxation	796,088	(297,597)	(2,346,852)	1,103,319
Tax at applicable rate of 30% (2022:30%)	238,826	(89,279)	(704,056)	330,996
Net effect of non-taxable income and non-expenses	351,085	169,783	877,970	(236,852)
Prior year under-provision/(over-provision)- Deferred Tax	(255,706)	-	(344,480)	-
Withholding tax which is a final tax	135,783	-	202,670	-
	469,988	80,504	32,105	94,144

c) Movement in tax payable

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	4,640,340	64,395	4,622,631	8,760
Current year tax charge	942,366	80,504	629,469	94,144
Prior year under provision	-	-	664,613	-
Withholding tax on Treasury Bills	(278,373)	-	(202,670)	-
Tax paid	(400,904)	(91,752)	(1,073,703)	(38,509)
At 31 December	4,903,429	53,147	4,640,340	64,395

15. FOREIGN EXCHANGE GAINS/(LOSSES)

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Realised exchange (loss)/gain on cash and cash equivalents	-	-	(420)	-
Realised exchange (loss)/gain	1,621	(1,925)	7,844	653
	1,621	(1,925)	7,424	653

16. EARNINGS PER SHARE

The calculation of basic earnings per share is based on:

Profit/(loss) attributable to ordinary shareholders (Ushs'000)

Weighted average number of ordinary shares in issue ('000)

Basic earnings per share (Ushs)

There were no dilutive shares outstanding at 31 December 2024

(2023: Nil)

2024 (Ushs'000)		2023 (Ushs'000)	
Group	Company	Group	Company
477,204	(297,597)	(2,378,957)	1,009,175
2,123,670	2,123,670	2,123,670	2,123,670
0.22	(0.14)	(1.12)	0.48

17. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

Cash and bank balances

Cash on hand

Cash at bank

Unrealised exchange difference

Less expected credit loss*

Total cash and cash equivalent

2024 (Ushs'000)		2023 (Ushs'000)	
Group	Company	Group	Company
20,211	9,735	4,786	750
1,072,876	106,675	2,520,285	10,541
-	-	(420)	-
1,093,087	116,410	2,524,651	11,291
(37,194)	(19,134)	(56,287)	(77)
1,055,893	97,276	2,468,364	11,214

*Below is the analysis of the movement in allowance for expected credit losses of cash and bank balances

As at 1 January

Movement in the provision for expected credit losses

As at 31 December

56,287	77	14,331	11
(19,093)	19,057	41,956	66
37,194	19,134	56,287	77

There were no writeoffs and any other significant factors affecting the movement in the provision for expected credit losses (ECLs). The computations for ECLs were done in compliance with the Group's accounting policies, IFRS and regulatory guidelines.

Based on the above disclosed carrying amounts at the start of the year and at the report date, there were no significant movements in the gross carrying carrying amounts contributing to the changes in the allowances for ECLs. The movement in ECLs fully reflects the movement in gross carrying amounts of the financial asset.

18. FINANCIAL ASSETS

a) Designated at fair value through profit or loss

At 1 January

Fair value (loss)/gain

At 31 December

2024 (Ushs'000)		2023 (Ushs'000)	
Group	Company	Group	Company
2,571,831	-	3,201,687	-
(601,335)	-	(629,856)	-
1,970,496	-	2,571,831	-

The fair value of the company's quoted shares was based on their respective closing prices as at 31 December 2024 as reflected by the Uganda Securities Exchange's (USE) website "www.use.or.ug". Thus, Level 1 inputs based on quoted prices (unadjusted) in active markets and easily accessible at measurement date.

b) Designated at fair value through other comprehensive income (OCI)

At 1 January

Addition/transfer of shares

Disposal of shares

Fair value gains***

Foreign exchange (loss)/gain (included as part of fair value adjustment through

At 31 December

2024 (Ushs'000)		2023 (Ushs'000)	
Group	Company	Group	Company
5,948,929	-	6,267,819	-
2,746,792	-	-	-
(4,135,995)	-	(152,750)	-
-	-	111,135	-
(421,256)	-	33,568	-
4,138,470	-	6,259,772	-

The fair value of the company's quoted shares was based on their respective closing prices as of 31 December 2024 on the Uganda Securities Exchange. This is composed of 160,783,091 units (2023:160,783,091) of Uganda Clays Limited shares, 1,095,000 units (2023: 1,095,000) of Stanbic Bank Uganda Limited shares and 278,452 units (2023:278,452) of Bank of Baroda shares, valued at US\$ 9/share, US\$39.25/share and US\$ 22.25/share respectively as of 31 December 2024 (2023: US\$ 9/share, US\$ 32/share and US\$ 15/share respectively). All financial assets measured at fair value through profit or loss are listed equities which are mandatorily required to be measured at fair value under IFRS 13. The assets are categorized within the Level 1 fair value hierarchy.

The ownership of these shares represents less than 5% equity interests in each of these companies.

***Accumulated fair value gains (net of applicable deferred tax) is disclosed in the consolidated statement of financial position as fair value reserves.

c)(i) At amortized cost Government securities	Treasury Bills Ushs'000	Treasury Bonds Ushs'000	Group 2024 Ushs'000	Treasury Bills Ushs'000	Treasury Bonds Ushs'000	Group 2023 Ushs'000
Gross balance as at 1 January	339,993	4,689,548	5,029,541	2,357,998	6,399,199	8,757,197
Reclass of WHT on opening Bills	-	-	-	-	-	-
Additions	874,775	207,425	1,082,200	310,867	-	310,867
Matured Treasury Bills- cost	(555,515)	(599,020)	(1,154,535)	(2,360,576)	(1,622,798)	(3,983,374)
Interest Received on matured gov- ernment securities	(28,020)	(599,678)	(627,698)	(122,824)	(562,951)	(685,775)
Accrued interest	64,594	290,646	355,240	154,528	476,098	630,626
Less expected credit loss	(11)	(4,682)	(4,693)	(157)	(4,917)	(5,074)
At 31 December	695,816	3,984,239	4,680,055	339,836	4,684,631	5,024,467

***Below is the analysis of the movement in allowance for expected credit losses of Treasury Bills**

As at 1 January	5,074	12,766
Movement in the provision for expected credit losses	(381)	(7,692)
At 31 December	4,693	5,074

There were no writeoffs and any other significant factors affecting the movement in the provision for expected credit losses (ECLs). The computations for ECLs were done in compliance with the Group's accounting policies, IFRS and regulatory guidelines.

(ii) Fixed deposits

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Guarantee Trust Bank (Uganda) Limited	3,076,854	-	5,901,471	-
Post bank (Uganda) Limited	-	-	106,749	-
Yako Microfinance	208,488	-	208,614	-
United Bank for Africa Uganda Limited	3,975,852	-	-	-
Pride Micro Finance	108,044	-	107,889	-
Ugafode Micro Finance	108,520	-	107,918	-
Cairo Bank Uganda Ltd	308,840	-	103,027	-
Less expected credit loss	(165,164)	-	(84,612)	-
	7,621,434	-	6,451,056	-

The movement in the fixed deposits is as follows:

Gross balance as at 1 January	6,535,668	-	17,477,527	2,419,527
Additions	12,077,638	-	32,181,693	4,056,399
Matured Fixed deposits- cost	(10,790,568)	-	(40,852,119)	(4,349,250)
Interest received on matured fixed deposits	(516,117)	-	(1,751,127)	(219,927)
Accrued interest	479,977	-	1,602,271	215,828
Less expected credit loss	(165,164)	-	(151,370)	(66,758)
At 31 December	7,621,434	-	8,506,875	2,055,819

***Below is the analysis of the movement in allowance for expected credit losses of Treasury Bills**

As at 1 January	84,612	-	219,410	-
Movement in the provision for expected credit losses	80,552	-	(134,798)	-
At 31 December	165,164	-	84,612	-

There were no writeoffs and any other significant factors affecting the movement in the provision for expected credit losses (ECLs). The computations for ECLs were done in compliance with the company's accounting policies, IFRS and regulatory guidelines.

The maturity profile of financial assets at amortised cost are disclosed in note 40.

The weighted average effective interest rate on fixed deposits as at 31 December 2024 was 11.89% (31 December 2023: 11.88%).

Based on the above disclosed carrying amounts at the start of the year and at the report date, there were no significant movements in the gross carrying carrying amounts contributing to the changes in the allowances for ECLs. The movement in ECLs fully reflects the movement in gross carrying amounts of the financial asset

c) (iii) Staff and Policy Loans, at amortized cost

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Staff Loans	124,695	-	51,003	-
Policy Loans	-	-	-	-
Less expected credit loss	(21,142)	-	(21,142)	-
	103,553	-	29,861	-

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Staff Loans	51,003	-	174,702	-
Policy Loans	150,660	-	67,100	-
Less expected credit loss	(76,968)	-	(190,799)	-
	124,695	-	51,003	-
Less ECL	(21,142)	-	(21,142)	-
Loans and Receivables less of ECL	103,553	-	29,861	-

Movement in impairment provision				
At 1 January	21,142	-	21,142	-
Write-off	-	-	-	-
Impairment provision for the year	-	-	-	-
At 31 December	21,142	-	21,142	-
At 31 December	12,405,042	-	11,505,384	-

- The weighted average effective interest rate on fixed deposits as at 31 December 2024 was 11.89% (31 December 2023: 11.88%).

- Loans and receivables represent interest bearing salary loans to staff members which are secured by terminal benefits of the staff or suitable staff guarantor.

- The carrying amount of these financial assets at amortised cost is a reasonable approximation of their fair values.

19. REINSURANCE CONTRACTS ASSETS HELD

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Staff Loans	-	-	(338,964)	-
Policy Loans	-	-	1,056,174	-
Less expected credit loss	-	-	126,676	-
	-	-	843,886	-

Amounts due from reinsurers in respect of claims paid by the Group on contracts that are reinsured are included in re-insurance assets on the consolidated statement of financial position.

Receivable from reinsurers is not impaired on the basis that, the re-insurance agreements provide a clause of offsetting the receivables with payables where it is reasonable to conclude on the doubtful recoverability of the receivable balances.

19(a) Analysis by remaining coverage and incurred claims - Contracts measured under the PAA

	Non-Life Business				Long-term Business				Sub-total Ushs'000	Total Ushs'000
	Asset remaining Coverage Ushs'000	Loss Component Ushs'000	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non-financial risk Ushs'000	Asset remaining Coverage Ushs'000	Loss Component Ushs'000	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non-financial risk Ushs'000		
31 December, 2023										
Opening liabilities at 1 January 2023	(763,741)	10	614,317	87,702	(61,712)	50,876	39,935	85	90,896	29,184
Insurance revenue	(11,439,743)	-	-	-	(11,439,743)	(86,409)	-	-	(86,409)	(11,526,152)
PAA premium reserve release	(11,439,743)	-	-	-	(11,439,743)	(86,409)	-	-	(86,409)	(11,526,152)
Amount recovered from reinsurance:										
Risk adjustment release gross	-	-	-	(89,720)	(89,720)	-	-	(97)	(97)	(89,817)
New claims incurred over the period (PV)	-	-	2,234,271	-	2,234,271	-	17,407	-	17,407	2,251,678
New claims incurred over the period (RA)	-	-	-	326,204	326,204	-	-	37	37	326,241
Amortised insurance acquisition cash flows	1,941,944	-	-	-	1,941,944	5,582	-	-	5,582	1,947,526
Increase in existing incurred claims reserves:										
Increase in incurred claim liability (PV)	-	-	(1,433,302)	-	(1,433,302)	-	-	-	-	-
Increase in incurred claim liability (RA)	-	-	-	(209,263)	(209,263)	-	-	-	-	(1,433,302)
Claims and expenses received	-	-	1,044,167	-	1,044,167	-	-	-	-	(209,263)
Release for incurred claims expected over the period	-	-	(421,316)	-	(421,316)	-	(39,935)	-	(39,935)	1,044,167
Loss recovery component start (PAA)	-	14,944	-	-	14,944	-	-	-	-	(461,251)
Total income from reinsurance	1,941,944	14,944	1,423,820	27,221	3,407,929	5,582	(22,528)	(60)	(17,006)	3,390,923
Net expenses from reinsurance contracts	(9,497,799)	14,944	1,423,820	27,221	(8,031,814)	(80,827)	(22,528)	(60)	(103,415)	(8,135,229)
Reinsurance finance income or expense										
Interest expense on present value of incurred claims reserves	-	-	33,033	-	33,033	-	-	-	-	33,033
Interest expense on risk adjustment of incurred claims reserves	-	-	-	9,998	9,998	-	-	-	-	9,998
Discount rate change on present value incurred claims reserves	-	-	11,764	-	11,764	-	-	-	-	11,764
Discount rate change on risk adjustment of incurred claims reserves	-	-	-	1,718	1,718	-	-	12	12	1,730
	-	-	44,797	11,716	56,513	-	-	12	12	56,525
Total changes in the statement of profit or loss	(9,497,799)	14,944	1,468,617	38,937	(7,975,301)	(80,827)	(22,528)	(48)	(103,403)	(8,078,704)
Actual cashflows within the period										
Premiums paid	12,040,103	-	-	-	12,040,103	59,927	-	-	59,927	12,100,030
Claims and other expenses paid	-	-	(1,044,167)	-	(1,044,167)	-	-	-	-	(1,044,167)
Acquisition cash flows received	(2,156,875)	-	-	-	(2,156,875)	(5,582)	-	-	(5,582)	(2,162,457)
Total cash flows	9,883,228	-	(1,044,167)	-	8,839,061	54,345	-	-	54,345	8,893,406
Net closing balance at 31 December 2023	(378,312)	14,954	1,038,767	126,639	802,048	24,394	17,407	37	41,838	843,886

20. INVESTMENT IN SUBSIDIARIES

	Domicile country	Shareholding		Amount	
		2024	2023	2024	2023
NIC General Insurance Company Ltd	Uganda	100%	100%	5,864,657	5,864,657
NIC Life Assurance Company Ltd	Uganda	100%	100%	4,821,108	4,821,108
				10,685,765	10,685,765

NIC General Insurance Company Limited carries out general business and NIC Life Assurance Company Limited carries out life insurance and long-term insurance business. The investment in subsidiaries is not impaired within the period. This is based on considerations of observable data and the value (net assets) of the investments exceeds the carrying amount of the investments in NIC Holdings company financial statements.

21. INVESTMENT PROPERTIES

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January				
Addition/transfer	55,735,099	7,350,000	55,052,965	10,677,966
Disposal/transfer	-	-	-	(3,205,729)
Fair Value gain/loss on revaluation	-	-	-	-
	5,001	-	682,134	(122,237)
At 31 December	55,740,100	7,350,000	55,735,099	7,350,000

The Group's management, through an independent professional firm of valuers, Messrs Bageine & Company that holds a practicing license with the Surveyors Registration Board of Uganda, carried out valuation of the Group's investment properties (which also includes the owner occupied portion of the Head Office building on Plot 3 Pilkington Road, Kampala disclosed as land and building in Note 23 (a)) as at 31 December 2024. Fair value of Ushs 5.00 million (2023: Ushs 682.1 million gain) was recognised in the consolidated statement of comprehensive income for the year 2023. The valuation approach used to arrive at the values of the respective properties is the Market Approach (the Direct Sales Comparison Method) whose inputs mainly entailed sales data of similar properties in similar locations in the same market for land, while the Depreciated Replacement Cost Approach was used for buildings. These were used in coming up with a fair comparison of the market prices of the above properties as at year end. Any variation to the inputs used is not expected to significantly affect the valued balances above. These leasehold properties have varied un-expired lease periods ranging from 40 years to 86 years.

In line with the market approach described above used to arrive at the fair values of investment properties, fair values were determined using market comparable method, in which, valuations were based on prices of transactions involving properties of similar nature, location, and condition. The specific inputs used by the valuers include; area (in metres for buildings and in hectares or acres for land), conditions of repair, location/situation, and services like water and electricity. For land, other specific inputs considered were legal factors and ownership in terms of; lease or freehold land or mailo land. For area in metres relating to building, this is further classified into (where applicable); double storied residential building, verendah, first floor, attached outbuilding, and gate house.

In regard to the valuation of the investment properties, there are no observable inputs for which a slight increase of each input used in isolation would result in a significant decrease in the fair value. Fair values of investment properties have been thus classified under Level 3 inputs.

The group recognised Ushs 2.65 billion (2023: Ushs 2.63 billion) in gross rental income during the year and expending Ushs 388.78 million (2023: Ushs.368.27 million) on services such as security offered to the occupants of the properties and was able to charge back Ushs 318.09 million (2023: Ushs. 228.09 million) of this amount to the occupants of these properties. Furthermore, the entity spent Ushs131.26 million (2023: Ushs 134.71 million) on the repair and maintenance of the investment properties during the year.

The Group is implementing a comprehensive asset restructuring plan approved by the Board of Directors in a bid to ensure the company continue to maintain compliance with the Risk Based Supervision model adopted by the Insurance Regulatory Authority (IRA).

The Group does not have any restrictions on the realisability of the above investment properties or the remittance of income and proceeds from these properties. There were no contractual obligations to purchase, construct, develop, repair or enhance the investment properties as at year end (2023: Nil).

22. DEFERRED TAX ASSET / (LIABILITY)

The deferred income tax asset/(liability) comprises of:

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Accelerated capital allowances	(486,841)		(516,891)	
Unrealised exchange (gain)/loss	279,375		279,375	
IBNR Insurance contract provision	489,336		508,845	
Bad debt provision- premium receivable	1,049,112		1,444,863	
Bad debt provision- other receivables	243,039		135,891	
Revaluation surplus on properties	(5,764,398)		(5,882,523)	
Carried forward loss from life business	1,097,561		449,711	
Carried forward loss from general business	-		63,483	
Revaluation surplus on equity investments*	967,872		769,982	
Revaluation surplus on unquoted equity investments*	111,650		(14,727)	
Foreign exchange impact on lease	(11,663)		(11,663)	
Other provisions	(60,527)		92,519	
Right of use of asset	(328,319)		(466,238)	
Finance lease obligation	346,364		538,003	
	(2,067,439)	-	(2,609,370)	-

*In the prior year, equity investments was split between the specific movement relating to revaluation of the balances and that relating to impact of exchange gains/losses. In the current year, these have been combined to reflect the overall effect on these instruments.

The movement on the Group's deferred tax account in 2024 is as follows:

	01-Jan-24	Statement of Profit or loss	Other comprehensive income	Statement of changes in equity	31-Dec-24
Accelerated capital allowances	(516,891)	30,050	-	-	(486,841)
Unrealised exchange (gain)/loss	279,375	-	-	-	279,375
IBNR provision	508,845	(19,509)	-	-	489,336
Bad debt provision- premium receivable	1,444,863	(395,751)	-	-	1,049,112
Bad debt provision- other receivables	135,891	107,148	-	-	243,039
Revaluation surplus on properties	(5,882,523)	174,950	(56,825)	-	(5,764,398)
Carried forward loss from life business	449,711	647,850	-	-	1,097,561
Carried forward loss from general business	63,483	(63,483)	-	-	-
Fair value gains on equity investments	769,982	197,890	-	-	967,872
Revaluation surplus on unquoted equity investments*	(14,727)	-	126,377	-	111,650
Foreign exchange impact on lease liabilities	(11,663)	-	-	-	(11,663)
Other provisions	92,519	(153,046)	-	-	(60,527)
Right of use of asset	(466,238)	137,919	-	-	(328,319)
Finance lease obligation	538,003	(191,639)	-	-	346,364
	(2,609,370)	472,379	69,552	-	(2,067,439)

The Group does not have any restrictions on the realisability of the above investment properties or the remittance of income and proceeds from these properties. There were no contractual obligations to purchase, construct, develop, repair or enhance the investment properties as at year end (2023: Nil).

The movement on the Group's deferred tax account in 2024 is as follows:

	01-Jan-24	Statement of Profit or loss	Other comprehensive income	Statement of changes in equity	31-Dec-24
Accelerated capital allowances	(443,816)	(73,075)	-	-	(516,891)
Unrealised exchange (gain)/loss	279,249	126	-	-	279,375
IBNR Insurance contract provision	247,761	261,084	-	-	508,845
Reinsurance debtors provision	-	-	-	-	-
Bad debt provision- Premium Receivables	1,292,673	152,190	-	-	1,444,863
Bad debt provision- Others Receivables	169,238	(33,347)	-	-	135,891
IFRS 9 adjustment	-	-	-	-	-
Revaluation surplus on properties	(5,929,867)	140,093	(92,749)	-	(5,882,523)
Carried forward loss from life business	386,228	63,483	-	-	449,711
Carried forward loss from general business	(8,076)	71,559	-	-	63,483
Fair value gains on equity investments	779,581	(9,599)	-	-	769,982
Revaluation surplus on unquoted equity investments*	(4,656)	-	(10,071)	-	(14,727)
Deferred tax - life business	-	-	-	-	-
Non-life Insurance business	-	-	-	-	-
Foreign exchange impact on lease liabilities	(13,392)	1,729	-	-	(11,663)
Other provisions	92,519	-	-	-	92,519
Right of use of asset	(544,520)	78,282	-	-	(466,238)
Finance lease obligation	593,164	(55,161)	-	-	538,003
	(3,103,914)	597,364	(102,820)	-	(2,609,370)

23(a) PROPERTY AND EQUIPMENT

	Leasehold land*	Buildings on leasehold land*	Furniture & equipment	Motor vehicles	Computer equipment	Right of Use Assets**	Group
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
COST							
At 1 January 2024	4,935,000	6,424,900	1,405,737	1,898,123	868,098	2,280,753	17,812,611
Additions	-	-	9,471	-	20,718	18,757	48,946
Disposal	-	-	-	(94,589)	(1,320)	-	(95,909)
Revaluation	-	-	-	-	-	-	-
Adjustment to ROU- Cost	-	-	-	-	-	(249,083)	(249,083)
At 31 December 2024	4,935,000	6,424,900	1,415,208	1,803,534	887,496	2,050,427	17,516,565
COMPRISING							
At cost	-	-	1,415,208	1,803,534	887,496	2,050,427	6,156,665
At Valuation 2024	4,935,000	6,424,900	-	-	-	-	11,359,900
DEPRECIATION							
At 1 January 2024	-	-	1,211,048	1,007,918	816,957	1,372,749	4,408,672
Adjustment to accumulated depreciation- ROU	-	-	-	-	-	(320,606)	(320,606)
Charge for the year	-	192,747	39,587	280,009	26,102	498,722	1,037,167
Disposal	-	-	-	(94,589)	-	-	(94,589)
Elimination of depreciation upon revaluation**	-	(192,747)	-	-	-	-	(192,747)
At 31 December 2024	-	-	1,250,635	1,193,338	843,059	1,550,865	4,837,897
COMPRISING							
At cost	-	-	1,250,635	1,193,338	843,059	1,550,865	4,837,897
At Valuation 2024	4,935,000	6,424,900	-	-	-	-	-
NET BOOK VALUE							
COMPRISING							
At cost	-	-	164,573	610,196	44,437	499,562	1,318,768
At Valuation 2024	4,935,000	6,424,900	-	-	-	-	11,359,900
COST	4,935,000	6,424,900	164,573	610,196	44,437	499,562	12,678,668
At 1 January 2023	4,935,000	6,110,000	1,302,005	1,026,059	822,841	2,267,278	16,463,183
Additions	-	189,039	103,732	967,409	45,257	170,133	1,475,570
Disposal	-	-	-	(95,345)	-	(156,658)	(252,003)
Reclassified from Investment property**	-	-	-	-	-	-	-
Revaluation	-	125,861	-	-	-	-	125,861
At 31 December 2023	4,935,000	6,424,900	1,405,737	1,898,123	868,098	2,280,753	17,812,611
DEPRECIATION							
At 1 January 2023	-	-	1,176,012	878,022	793,810	1,098,338	3,946,182
IFRS 16 impact on adoption	-	-	-	-	-	(112,717)	(112,717)
Charge for the year	-	183,300	35,036	225,241	23,147	543,786	1,010,510
Disposal	-	-	-	(95,345)	-	(156,658)	(252,003)
Elimination of depreciation upon revaluation**	-	(183,300)	-	-	-	-	(183,300)
At 31 December 2023	-	-	1,211,048	1,007,918	816,957	1,372,749	4,408,672
At 31 December 2023	4,935,000	6,424,900	194,689	890,205	51,141	908,004	13,403,939

*The amount reflected as leasehold land and building on leasehold land is in respect of owner occupied portion of NIC Building on Plot 3, Pilkington Road, Kampala. The Group's owner occupied land and building is measured at revalued amount (using revaluation model). Fair values were determined at the reporting date and consequently, accumulated depreciation equivalent to depreciation charge for the current year was eliminated/reversed. That is, the Group applies elimination method upon revaluation

**The carrying amount that would have been recognised had the leasehold land and building been carried under the cost model would be Ushs 4.786 billion; that is cost: Ushs5.473 billion less accumulated depreciation: Ushs 687.19 million (2023: Ushs4.950 billion; that is cost: Ushs 5.473 billion less accumulated depreciation: Ushs522.99 million).

For details about the valuation of the Land and Buildings (inputs, method of valuation, among others) measured using revaluation model, please refer to Note 20 with disclosures covering all properties whose fair values were determined by the Group's external contracted value.

(a)(i) Revaluation gain on PPE

Revaluation gain/(loss) - Leasehold Land
Reversal of prior year revaluation loss (Leasehold land)
Revaluation gain - Building
Transfer to OCI
Transfer to profit or loss

2024 (Ushs'000)		2023 (Ushs'000)	
Group	Company	Group	Company
-	-	-	-
-	-	-	-
192,747		309,161	
192,747	-	309,161	-
-	-	-	-
-	-	-	-

23 (b) INTANGIBLE ASSETS- PURCHASED

COST

At 1 January
Additions
Disposal
Reclassification/write-off
At 31 December

2024 (Ushs'000)		2023 (Ushs'000)	
Group	Company	Group	Company
IT software			
468,630	-	448,752	-
-	-	19,878	-
-	-	-	-
(112,325)	-	-	-
356,305	-	468,630	-

AMORTIZATION

At 1 January
Amortization for the year
Reclassification/write-off
At 31 December

406,602	-	353,388	-
33,201	-	53,214	-
(83,498)	-	-	-
356,305	-	406,602	-

NET BOOK VALUE

-	-	62,028	-
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24.(a) OTHER RECEIVABLES & PREPAYMENTS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Rent receivables	369,165	163,518	812,507	180,283
Prepayments	52,385	-	97,829	-
Withholding tax recoverable	102,269	-	670,590	-
Sundry receivables	2,501,155	1,929,308	2,468,708	1,562,781
Dividend receivables	-	-	-	50,000
Due from related parties	9,859	-	2,049	(63,624)
Impairment provision on non-financial assets	-	-	(554,800)	-
Impairment provision on other receivables (financial assets)	(786,550)	(58,049)	(988,158)	-
	2,248,283	2,034,777	2,508,725	1,729,440

(b)(i) Movement in impairment losses on non-financial assets

At 1 January	554,800	-	514,113	-
Impairment loss provision for the year	(554,800)	-	40,687	-
At 31 December	-	-	554,800	-

(b)(ii) Movement in impairment losses on financial assets

At 1 January	988,158	63,624	1,000,151	62,469
Impairment loss provision for the year	(201,608)	(5,575)	(11,993)	1,155
At 31 December	786,550	58,049	988,158	63,624

25. STATUTORY DEPOSIT AT AMORTISED COST

The Group maintains a statutory deposit with Bank of Uganda in line with the requirement of Section 7(1) of the Insurance Act CAP 213.

The deposit made is considered part of the assets in respect of the capital of the insurer and is invested by Bank of Uganda in short term investments and securities. Interest and all income accruing from this deposit is payable to the insurer.

Movement in statutory deposit	2024 Group Ushs'000	Company Ushs'000	Group Ushs'000	2023 Company Ushs'000
Gross balance at 1 January	1,209,073	-	1,302,705	-
Reclassification of WHT on opening Bills	776,440	-	700,649	-
Matured statutory deposits- cost	(756,960)	-	(760,733)	-
Interest received on matured statutory deposits	(136,562)	-	(124,162)	-
Accrued interest	109,067	-	90,615	-
Less expected credit loss	(1,201)	-	(1,209)	-
At 31 December	<u>1,199,857</u>	<u>-</u>	<u>1,207,865</u>	<u>-</u>

*Below is the analysis of the movement in allowance for expected credit losses of

As at 1 January	1,209	1,547
Movement in the provision for ECL	(8)	(338)
As at 31 December	<u>1,201</u>	<u>1,209</u>

There were no writeoffs and any other significant factors affecting the movement in the provision for expected credit losses (ECLs). The computations for ECLs were done in compliance with the Group's accounting policies, IFRS and regulatory guidelines.

Based on the above disclosed carrying amounts at the start of the year and at the report date, there were no significant movements in the gross carrying carrying amounts contributing to the changes in the allowances for ECLs. The movement in ECLs fully reflects the movement in gross carrying amounts of the financial asset.

The ECL recognised is 12 months ECL based on the fact that there is no significant increase in credit risk from the date of initial recognition.

26. INSURANCE CONTRACT LIABILITIES

	2024			2023		
	Non life(a) Ushs'000	Life(b) Ushs'000	Total Ushs'000	Non life(a) Ushs'000	Life(b) Ushs'000	Total Ushs'000
Contracts measured under the PAA	4,261,953	1,274,545	5,536,498	11,174,314	1,271,948	12,446,262
Contracts not measured under the PAA	-	1,267,540	1,267,540	-	2,609,573	2,609,573
Total	<u>4,261,953</u>	<u>2,542,085</u>	<u>6,804,038</u>	<u>4,261,953</u>	<u>2,542,085</u>	<u>6,804,038</u>

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts are recognised in the statement of profit or loss. For each segment, the Group presents a table that separately analyses movement in liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss. A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non financial risk and the CSM

26(a) Insurance contract liabilities- Non-Life Business

	Liability for remaining Coverage		Liability for incurred claims		
	Excl loss Component Ushs'000	Loss Component Ushs'000	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non- financial Ushs'000	Total Ushs'000
31 December, 2024					
Opening liabilities at 1 January 2024	8,101,332	35,341	2,650,646	386,995	11,174,314
Insurance revenue					
PAA premium reserve release	(31,676,345)	-	-	-	(31,676,345)
	<u>(31,676,345)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,676,345)</u>
Insurance services expenses					
Incurred insurance service expenses:					
Claims	-	-	4,225,806	-	4,225,806
Expenses	-	-	14,268,129	-	14,268,129
Risk adjustment release gross	-	-	-	(343,809)	(343,809)
	4,314,871	-	-	-	4,314,871
Amortisation of insurance acquisition cash flows	-	-	1,767,354	-	1,767,354
New claims incurred over the period(PV)	-	-	-	256,266	256,266
New claims incurred over the period (RA)	-	-	(401,625)	-	(401,625)
Increase in incurred claim liability (PV)	-	-	-	(58,237)	(58,237)
Increase in incurred claim liability (RA)	-	-	(2,257,297)	-	(2,257,297)
Increase in onerous liability (PAA)	-	(29,179)	-	-	(29,179)
	<u>4,314,871</u>	<u>(29,179)</u>	<u>17,602,367</u>	<u>(145,780)</u>	<u>21,742,279</u>
Total Insurance service result	<u>(27,361,474)</u>	<u>(29,179)</u>	<u>17,602,367</u>	<u>(145,780)</u>	<u>(9,934,066)</u>
Insurance finance expense					
Interest expense on present value of incurred claims reserves	-	-	208,737	-	208,737
Interest expense on RA of incurred claim reserves	-	-	-	44,118	44,118
Discount rate change on PV incurred claims reserves	-	-	(2,309)	-	(2,309)
Discount rate change on RA incurred claims reserves	-	-	-	(334)	(334)
	-	-	206,428	43,784	250,212
Total changes in the statement of profit or loss	<u>(27,361,474)</u>	<u>(29,179)</u>	<u>17,808,795</u>	<u>(101,996)</u>	<u>(9,683,854)</u>
Actual cashflows within the period					
Premiums and premium tax receive	25,978,772	-	-	-	25,978,772
Claims and other insurance serviceexpenses paid	-	-	(18,493,934)	-	(18,493,934)
Insurance acquisition cash flows	(4,713,345)	-	-	-	(4,713,345)
Total cash flows	<u>21,265,427</u>	<u>-</u>	<u>18,493,934</u>	<u>-</u>	<u>2,771,493</u>
Net closing balance	<u>2,005,285</u>	<u>6,162</u>	<u>1,965,507</u>	<u>284,999</u>	<u>4,261,953</u>

	Liability for remaining Coverage		Liability for incurred claims		
31 December, 2023	Excl loss Component Ushs'000	Loss Component Ushs'000	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non- financial Ushs'000	Total Ushs'000
Opening liabilities at 1 January 2024	7,099,057	47	1,589,399	314,702	9,003,205
Insurance revenue					
PAA premium reserve release	(28,723,674)	-	-	-	(28,723,674)
	<u>(28,723,674)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,723,674)</u>
Insurance services expenses					
Incurred insurance service expenses:					
Claims	-	-	4,071,349	-	4,071,349
Expenses	-	-	14,345,243	-	14,345,243
Risk adjustment release gross	-	-	-	(313,860)	(313,860)
	3,750,766	-	-	-	3,750,766
Amortisation of insurance acquisition cash flows	-	-	2,328,820	-	2,328,820
New claims incurred over the period(PV)	-	-	-	340,007	340,007
New claims incurred over the period (RA)	-	-	74,491	-	74,491
Increase in incurred claim liability (PV)	-	-	-	10,876	10,876
Increase in incurred claim liability (RA)	-	-	(1,459,493)	-	(1,459,493)
Increase in onerous liability (PAA)	3,750,766	35,294	-	-	35,294
	<u>(24,972,908)</u>	<u>35,294</u>	<u>19,360,410</u>	<u>37,023</u>	<u>23,183,493</u>
Total Insurance service result	<u>(24,972,908)</u>	<u>35,294</u>	<u>19,360,410</u>	<u>37,023</u>	<u>(5,540,181)</u>
Insurance finance expense					
Interest expense on present value of incurred claims reserves	-	-	121,579	-	121,579
Interest expense on RA of incurred claim reserves	-	-	-	35,876	35,876
Discount rate change on PV incurred claims reserves	-	-	(4,150)	-	(4,150)
Discount rate change on RA incurred claims reserves	-	-	-	(606)	(606)
	-	-	117,429	35,270	152,699
Total changes in the statement of profit or loss	<u>(24,972,908)</u>	<u>35,294</u>	<u>19,477,839</u>	<u>72,293</u>	<u>(5,387,482)</u>
Actual cashflows within the period					
Premiums and premium tax receive	29,929,069	-	-	-	29,929,069
Claims and other insurance serviceexpenses paid	-	-	(18,416,592)	-	(18,416,592)
Insurance acquisition cash flows	(3,953,886)	-	-	-	(3,953,886)
Total cash flows	<u>25,975,183</u>	<u>-</u>	<u>(18,416,592)</u>	<u>-</u>	<u>7,558,591</u>
Net closing balance	<u>8,101,332</u>	<u>35,341</u>	<u>2,650,646</u>	<u>386,995</u>	<u>11,174,314</u>

26(a)(iii) 2024 claims development table

UGX '000	2019	2020	2021	2022	2023	2024	Total
At end of year	1,319,439	1,566,567	1,550,284	1,845,929	2,295,369	2,562,208	11,139,796
One year later	651,340	1,067,397	1,008,950	1,623,858	1,844,144	-	6,195,689
Two years later	54,914	187,793	110,273	633,195	-	-	986,175
Two years later	218,199	38,941	12,426	-	-	-	269,566
Four years later	-	25,788	-	-	-	-	25,788
Five years later	5,636	-	-	-	-	-	5,636
Current estimate of cumulative claims	2,249,528	2,886,486	2,681,933	4,102,982	4,139,513	2,562,208	18,622,650
Cumulative payments to date	(2,249,529)	(2,886,486)	(2,677,783)	(4,087,082)	(3,962,817)	(1,849,079)	(17,712,776)
Prior years OCR	1,000						1,000
Incurred but not reported OCR							1,228,593
Unallocated loss adjustment expenses reserve							101,024
Time value of money							(274,985)
Risk adjustment							284,999
Total Liability for Incurred Claims							2,250,506

2024	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non-financial risk Ushs'000	Total Ushs'000
Total gross liabilities for incurred claims	1,965,507	284,999	2,250,506

2023 claims development table

UGX '000	2018	2019	2020	2021	2022	2023	Total
At end of year	1,053,082	1,319,439	1,566,567	1,550,284	1,845,929	3,697,865	11,033,166
One year later	955,169	651,340	1,067,397	1,008,950	1,791,876	-	5,474,732
Two years later	250,536	54,914	187,793	111,273	-	-	604,516
Two years later	19,777	218,199	38,941	-	-	-	276,917
Four years later	34,958	-	-	-	-	-	34,958
Five years later	-	-	-	-	-	-	-
Current estimate of cumulative claims	2,313,522	2,243,892	2,860,698	2,670,507	3,637,805	3,697,865	17,424,289
Cumulative payments to date	(2,313,522)	(2,243,893)	(2,860,698)	(2,669,506)	(3,469,787)	(2,272,369)	(15,829,775)
Prior years OCR	2,000						2,000
Incurred but not reported OCR							1,222,646
Unallocated loss adjustment expenses reserve							121,232
Time value of money							(289,746)
Risk adjustment							386,995
Total Liability for Incurred Claims							3,037,641

2023	Estimates of PV of future cashflows Ushs'000	Risk adjustment for non-financial risk Ushs'000	Total Ushs'000
Total gross liabilities for incurred claims	2,650,646	386,995	3,037,641

26(b) Life Insurance

26(b)(i) Analysis by remaining coverage and incurred claims - Contracts not measured under the PAA

	Liability for remaining coverage		2024
	Excluding loss component	Loss component	Liability for incurred claims
	Ushs'000	Ushs'000	Ushs'000
Opening balance at 1 January 2024			Total
Changes that relate to the statement of profit or loss			
Insurance revenue	2,283,056	326,517	2,609,573
	(1,497,244)	-	(1,497,244)
	(1,497,244)	-	(1,497,244)
Incurred claims and other insurance service expenses	-	(163,715)	1,902,730
Amortization of insurance acquisition cash flows	-	-	307,954
Losses and reversals of losses on onerous contracts	307,954	482,341	482,341
Adjustments to liabilities for incurred claims	-	-	-
Total insurance service expenses	(1,461,437)	-	(1,461,437)
Insurance service result	(1,153,483)	318,626	1,231,588
Net finance expenses from insurance contracts	(2,650,727)	318,626	(265,656)
Total changes in the statement of profit or loss	300,323	761	301,084
Cashflows	(2,350,404)	319,387	35,428
Premium received	533,073	-	533,073
Claims paid	-	-	1,863,468
Insurance acquisition cash flows	(47,066)	-	(47,066)
Total cashflows	486,007	-	(1,377,461)
Closing balance at 31 December 2024	418,659	645,904	1,267,540

	Liability for remaining coverage			2023
	Liability for remain loss component	Loss component	Liability for incurred claims	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Opening balance at 1 January 2023				
Changes that relate to the statement of profit or loss				
Insurance revenue	2,191,721	628,722	-	2,820,443
	(327,309)	-	-	(327,309)
Incurred claims and other insurance service expenses	(327,309)	-	-	(327,309)
Amortization of insurance acquisition cash flows	-	(437,904)	-	(437,904)
Losses and reversals of losses on onerous contracts	713,176	-	-	713,176
Adjustments to liabilities for incurred claims	-	81,869	-	81,869
Total insurance service expenses	-	-	-	357,141
Insurance service result	713,176	(356,035)	-	29,832
Net finance expenses from insurance contracts	385,867	356,035	-	349,400
Total changes in the statement of profit or loss	295,570	53,830	-	379,232
Cashflows				
Premium received	681,437	(302,205)	-	716,073
Premium received	716,073	-	-	-
Claims paid	(1,222,815)	-	-	(1,222,815)
Insurance acquisition cash flows	(83,360)	-	-	(83,360)
Total cashflows	(590,102)	-	-	(590,102)
Closing balance at 31 December 2023	2,283,056	326,517	-	2,609,573

26(b) Insurance contract liabilities- Long term Business

26(b)(ii) Analysis by remaining coverage and incurred claims - Contracts measured under the PAA

	Liability for remaining coverage		Liability for incurred claims		2024
	Excluding loss component Ushs'000	Loss component Ushs'000	Estimate of present value of cash flows Ushs'000	Risk adjustment Ushs'000	Total Ushs'000
Opening balance	290,552	723,741	257,103	552	1,271,948
Changes that relate to the statement of profit or loss					
Insurance revenue	(926,552)	-	-	-	(926,552)
	(926,552)	-	-	-	(926,552)
Insurance service expenses					
Incurred claims and other insurance service expenses:					
Risk adjustment release	-	-	-	-	-
New claims incurred over the period (PV)	-	-	354,955	-	354,955
New Claims incurred over the Period (RA)	-	-	-	-	-
Amortization of insurance acquisition cash flows	39,986	-	-	-	39,986
Losses and reversals of losses on onerous contracts	-	94,229	-	-	94,229
Increase in existing incurred claims reserves	-	-	-	-	-
Increase in incurred claim liability (PV)	-	-	2,022,727	-	2,022,727
increase in incurred claim liability (RA)	-	-	-	-	-
Claims and expenses paid	-	-	-	-	-
Amount recognized as expenses	-	-	-	-	-
Release for incurred claims expected over the period	-	-	-	-	-
Total insurance service expenses	39,986	94,229	2,377,682	-	2,511,897
Insurance service result	(886,566)	94,229	2,377,682	-	1,585,345
Net finance expenses from insurance contracts	-	-	75	-	75
Total changes in the statement of profit or loss	(886,566)	94,229	2,377,757	-	1,585,420
Cashflows					
Premium received	736,994	-	-	-	736,994
Claims paid	-	-	(2,279,830)	-	(2,279,830)
Insurance acquisition cash flows	(39,987)	-	-	-	(39,987)
Total cashflows	697,007	-	(2,279,830)	-	(1,582,823)
Closing balance	100,993	817,970	355,030	552	1,274,545

Analysis by remaining coverage and incurred claims - Contracts measured under the PAA

	Liability for remaining coverage		Liability for incurred claims		2023
	Excluding loss component Ushs'000	Loss component Ushs'000	Estimate of present value of cash flows Ushs'000	Risk adjustment Ushs'000	Total Ushs'000
Opening balance	552,435	493,808	422,663	905	1,469,811
Changes that relate to the statement of profit or loss					
Insurance revenue	(932,910)	-	-	-	(932,910)
	(932,910)	-	-	-	(932,910)
Insurance service expenses					
Incurred claims and other insurance service expenses:					
Risk adjustment release	-	-	-	(1,027)	(1,027)
New claims incurred over the period (PV)	-	-	257,103	-	257,103
New Claims incurred over the Period (RA)	-	-	-	551	551
Amortization of insurance acquisition cash flows	80,111	-	-	-	80,111
Losses and reversals of losses on onerous contracts	-	229,933	-	-	229,933
Increase in existing incurred claims reserves	-	-	-	-	-
Increase in incurred claim liability (PV)	-	-	-	-	-
increase in incurred claim liability (RA)	-	-	-	-	-
Claims and expenses paid	-	-	-	-	-
Amount recognized as expenses	-	-	2,915,476	-	2,915,476
Release for incurred claims expected over the period	-	-	422,663	-	(422,663)
Total insurance service expenses	80,111	229,933	2,749,916	-476	3,059,484
Insurance service result	(852,799)	229,933	2,749,916	(476)	2,126,574
Net finance expenses from insurance contracts	-	-	-	123	123
Total changes in the statement of profit or loss	(852,799)	229,933	2,749,916	(353)	2,126,697
Cashflows					
Premium received	671,027	-	-	-	671,027
Claims paid	-	-	(2,915,476)	-	(2,915,476)
Insurance acquisition cash flows	(80,111)	-	-	-	(80,111)
Total cashflows	590,916	-	(2,915,476)	-	(2,324,560)
Closing balance	290,552	723,741	257,103	552	1,271,948

26(c) Insurance contract liabilities- Long term Business

The gross claims triangle as well as assumptions and methods per class of business as at 31 December 2024 are as shown below.

Fire (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2018	59,350	91,223	88,892	88,892	88,892	88,892	88,892
2019	143,467	175,668	190,814	343,446	343,446	343,446	
2020	343,337	367,897	376,897	376,897	376,897		
2021	94,938	66,044	70,808	70,808			
2022	24,037	126,782	124,108				
2023	211,062	194,296					
2024	102,843						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	88,892	6.3%
ICL	0.0%	343,226	37.4%
ICL	0.0%	1,163,927	32.1%
ICL	0.0%	70,808	4.9%
ICL	0.0%	124,728	7.6%
ICL	0.0%	197,383	9.3%
IBF	15.0%	203,169	8.5%

Selection	1.3657	1.0108	1.0050	1.0000	1.0000	1.0000	1.0000
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Marine and Aviation (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2018	68,491	68,491	68,491	68,491	68,491	68,491	-
2019	8,004	-	-	-	-	-	
2020	8,067	8,067	8,067	8,067	8,067		
2021	13,256	117,039	17,039	17,039			
2022	5,825	5,825	5,825				
2023	71,594	83,512					
2024	43,137						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	68,491	1.5%
ICL	0.0%		0.0%
ICL	0.0%	8,067	0.1%
ICL	0.0%	17,039	0.2%
ICL	0.0%	5,825	0.1%
ICL	0.0%	83,512	0.8%
IBF	1.0%	102,692	1.0%

Selection	2.2760	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Motor (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2018	1,186,486	1,523,693	1,535,315	1,535,315	1,535,315	1,535,315	1,535,315
2019	1,203,085	1,387,563	1,384,654	1,384,668	1,384,668	1,390,004	
2020	947,169	834,545	839,710	838,510	838,510		
2021	1,752,894	1,847,512	1,835,346	1,841,436			
2022	1,766,234	2,230,254	2,240,155				
2023	2,059,123	2,303,700					
2024	2,148,652						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	1,535,315	23.4%
ICL	0.0%	1,390,004	20.2%
ICL	0.0%	838,510	13.8%
ICL	0.0%	1,841,436	23.1%
ICL	0.0%	2,240,155	21.9%
ICL	0.0%	2,314,227	22.0%
ICL	0.0%	2,513,458	19.6%

Selection	1.1646	1.0044	1.0000	1.0000	1.0000	1.0000	1.0000
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Engineering (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2018	29,692	47,341	51,568	51,592	51,592	51,592	51,592
2019	98,527	170,099	170,204	170,204	170,204	170,204	
2020	158,353	88,093	50,212	50,755	50,755		
2021	234,169	25,678	25,678	25,678			
2022	10,319	10,319	16,879				
2023	11,964	11,964					
2024	1,892						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	51,592	5.0%
ICL	0.0%	170,204	27.8%
ICL	0.0%	50,755	6.8%
ICL	0.0%	25,678	4.2%
ICL	0.0%	17,000	2.7%
ICL	0.0%	14,246	2.8%
IBF	4.1%	6,488	2.1%

Selection	1.3000	1.1822	1.0072	1.0000	1.0000	1.0000	1.0000
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Miscellaneous (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2018	618	9,318	(12,672)	(12,672)	(12,672)	(12,672)	(12,672)
2019	7,849	7,849	7,849	7,849	7,849	7,849	
2020	90,469	129,750	129,750	119,865	119,865		
2021	88,221	88,221	97,543	97,543			
2022	3,404	138,142	128,382				
2023	-	6,284					
2024	7,750						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	(12,672)	-2.8%
ICL	0.0%	7,849	1.1%
ICL	0.0%	119,865	24.1%
ICL	0.0%	97,543	14.6%
ICL	0.0%	128,382	21.6%
ICL	0.0%	6,284	0.9%
ELR	6.7%	72,953	6.7%

Selection	1.9918	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Personal Accident (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2018	50,427	72,297	130,469	139,141	174,099	174,099	174,099
2019	82,078	122,013	140,861	140,861	139,861	140,161	
2020	47,347	192,353	344,092	378,791	377,093		
2021	197,662	333,682	366,703	366,703			
2022	196,346	266,220	396,702				
2023	170,910	411,476					
2024	198,681						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	288,264	19.1%
ICL	0.0%	140,161	11.8%
ICL	0.0%	617,093	27.2%
ICL	0.0%	366,703	18.5%
ICL	0.0%	764,864	16.5%
ICL	18.6%	647,870	18.8%
IBF	17.9%	522,189	17.1%

Selection	1.3657	1.0108	1.0050	1.0000	1.0000	1.0000	1.0000
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Theft (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2018	420,980	222,997	221,693	221,693	221,794	221,794	221,794
2019	24,038	48,035	31,106	31,106	31,106	31,106	
2020	37,666	47,343	39,183	39,183	39,183		
2021	137,998	121,206	121,206	124,212			
2022	39,921	42,529	37,529				
2023	126,767	45,412					
2024	65,519						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	221,794	62.5%
ICL	0.0%	31,106	9.2%
ICL	0.0%	39,183	9.1%
ICL	0.0%	124,212	27.0%
ICL	0.0%	181,395	6.5%
ICL	0.0%	459,776	7.9%
ICL	0.0%	78,623	28.4%

Selection	1.2000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Workmen's Compensation (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2018	51,033	59,635	62,865	62,537	62,537	62,537	62,537
2019	27,080	114,777	108,770	105,770	105,770	105,770	
2020	2,165	37,019	34,965	34,965	34,965		
2021	95,684	120,975	135,139	135,139			
2022	50,843	160,862	175,353				
2023	84,144	135,334					
2024	38,621						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	62,537	27.6%
ICL	0.0%	105,770	64.3%
ICL	0.0%	34,965	14.6%
ICL	0.0%	135,139	21.0%
ICL	0.0%	631,911	19.9%
ICL	0.0%	568,361	16.2%
IBF	27.3%	159,240	17.0%

Selection	1.8085	1.0483	1.0000	1.0000	1.0000	1.0000	1.0000
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Public Liability (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2018	849	92,501	30,000	9,309	9,309	9,309	11,749
2019	116,679	22,081	10,470	60,989	60,989	60,989	
2020	28,301	28,401	16,421	14,120	14,120		
2021	36,544	24,544	1,044	3,374			
2022	-	3,314	25,626				
2023	3,000	3,468					
2024	-						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	11,749	5.2%
ICL	0.0%	60,989	37.2%
ICL	0.0%	14,191	6.2%
ICL	0.0%	3,425	1.5%
ICL	0.0%	27,312	10.6%
ICL	2.0%	4,066	1.7%
IBF	5.0%	2,561	1.3%

Selection	1.1560	1.1000	1.0500	1.0100	1.0050	1.0000	1.0000
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Abbreviations used: ICL- Chain Ladder using triangles of claims incurred amount; IBF- Bornhuetter-Fergusson using triangles of claims incurred amount; LR- Loss Ratio Method; and IEULR- Initial Expected Ultimate Loss Ratio.

The gross claims triangle as well as assumptions and methods per class of business for 2023 are as shown below.

Fire (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2017	41,946	120,639	120,639	123,491	123,491	123,491	123,491
2018	59,350	91,223	88,892	88,892	88,892	88,892	
2019	143,467	175,668	190,814	343,446	343,446		
2020	343,337	367,897	376,897	376,897			
2021	94,938	66,044	70,808				
2022	24,037	126,782					
2023	94,938						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	123,491	12.3%
ICL	0.0%	88,892	6.3%
ICL	0.0%	343,446	37.4%
ICL	0.0%	1,136,441	32.1%
ICL	0.0%	74,349	5.1%
ICL	0.0%	142,723	8.7%
IBF	17.0%	311,475	14.7%

Selection	1.2323	1.0721	1.0500	1.0000	1.0000	1.0000	1.0000
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Marine and Aviation (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2017	-	-	-	-	-	-	-
2018	68,491	68,491	68,491	68,491	68,491	68,491	
2019	8,004	-	-	-	-		
2020	8,067	8,067	8,067	8,067			
2021	13,256	117,039	17,039				
2022	5,825	5,825					
2023	71,594						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	57,900	
ICL	0.0%	68,491	1.5%
ICL	0.0%		0.0%
ICL	0.0%	8,067	0.1%
ICL	0.0%	17,039	0.2%
ICL	0.0%	5,825	0.1%
IBF	1.0%	155,909	1.5%

Selection	4.8228	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Motor (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2017	920,340	1,230,793	1,166,891	1,163,737	1,163,737	1,163,737	1,163,737
2018	1,186,486	1,523,693	1,535,315	1,535,315	1,535,315	1,535,315	
2019	1,203,085	1,387,563	1,384,654	1,384,668	1,384,668		
2020	947,169	834,545	839,710	839,710			
2021	1,752,894	1,847,512	1,847,512				
2022	1,766,234	2,230,254					
2023	2,036,123						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	1,163,737	19.1%
ICL	0.0%	1,535,315	23.4%
ICL	0.0%	1,384,668	20.2%
ICL	0.0%	838,510	13.8%
ICL	0.0%	1,835,346	23.0%
ICL	0.0%	2,230,254	21.8%
ICL	0.0%	2,359,345	22.4%

Selection	1.1587	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Engineering (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2018	8,134	42,647	42,647	42,347	42,347	42,347	42,347
2019	29,692	47,341	51,568	51,592	51,592	51,592	
2020	98,527	170,099	170,204	170,204	170,204		
2021	158,353	88,093	50,212	50,755			
2022	234,169	25,678	25,678				
2023	10,319	10,319					
2024	11,964						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	42,347	10.5%
ICL	0.0%	51,592	5.0%
ICL	0.0%	170,204	27.8%
ICL	0.0%	50,755	6.8%
ICL	0.0%	25,678	4.2%
ICL	0.0%	10,371	1.6%
ICL	0.0%	15,631	3.0%

Selection	1.3000	1.0050	1.0000	1.0000	1.0000	1.0000	1.0000
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Miscellaneous (Incurred Triangle)

	Development Year						
Loss Year	0	1	2	3	4	5	6
2017	173,000	180,070	7,070	10,471	10,471	10,471	10,471
2018	618	9,318	(12,672)	(12,672)	(12,672)	(12,672)	
2019	7,849	7,849	7,849	7,849	7,849		
2020	90,469	129,750	129,750	129,750			
2021	88,221	88,221	97,543				
2022	3,404	138,142					
2023	-						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	10,471	2.0%
ICL	0.0%	(12,672)	-2.8%
ICL	0.0%	7,849	1.1%
ICL	0.0%	119,865	24.1%
ICL	0.0%	97,543	14.6%
ICL	0.0%	138,142	23.2%
ELR	6.0%	42,304	6.0%

Selection	1.9162	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Personal Accident (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2017	31,025	54,328	31,099	35,559	35,559	35,559	35,559
2018	50,427	72,297	130,469	139,141	174,099	174,099	
2019	82,078	122,013	140,861	140,861	139,861		
2020	47,347	192,353	344,092	378,791			
2021	197,662	333,682	366,703				
2022	196,346	326,220					
2023	273,823						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	35,559	4.5%
ICL	0.0%	288,264	19.1%
ICL	0.0%	139,861	11.7%
ICL	0.0%	618,791	27.4%
ICL	0.0%	392,545	19.8%
IBF	16.5%	581,255	17.7%
IBF	19.1%	591,789	20.4%

Selection	1.6748	1.3079	1.0705	1.0000	1.0000	1.0000	1.0000
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Theft (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2017	17,603	20,368	20,368	20,368	20,368	20,368	20,368
2018	420,980	222,997	221,693	221,693	221,794	221,794	
2019	24,038	48,035	31,106	31,106	31,106		
2020	37,666	47,343	39,183	39,183			
2021	137,998	121,206	121,206				
2022	39,921	42,529					
2023	126,767						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	20,368	6.8%
ICL	0.0%	221,794	62.5%
ICL	0.0%	31,106	9.2%
ICL	0.0%	39,223	9.2%
ICL	0.0%	121,327	26.4%
ICL	0.0%	42,572	7.4%
ICL	0.0%	549,741	23.6%

Selection	1.0669	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
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Workmen's Compensation (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2017	43,627	53,036	60,712	60,247	60,247	60,247	60,247
2018	51,033	59,635	62,865	62,537	62,537	62,537	
2019	27,080	114,777	108,770	105,770	105,770		
2020	2,165	37,019	34,965	34,965			
2021	95,684	120,975	135,139				
2022	50,843	160,862					
2023	84,144						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	60,247	28.9%
ICL	0.0%	62,537	27.6%
ICL	0.0%	105,770	64.3%
ICL	0.0%	34,965	14.6%
ICL	0.0%	135,139	21.0%
ICL	0.0%	624,519	19.1%
IBF	37.9%	715,892	28.6%

Selection	1.9234	1.0441	1.0000	1.0000	1.0000	1.0000	1.0000
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Public Liability (Incurred Triangle)

Loss Year	Development Year						
	0	1	2	3	4	5	6
2018	-	-	-	-	-	-	-
2019	1,000	47,063	30,824	30,824	30,896	30,896	
2020	849	92,501	30,000	9,309	9,309		
2021	116,679	22,081	10,470	60,989			
2022	28,301	28,401	16,421				
2023	36,544	24,544					
2024	-						

Method	IEULR	Selected Ultimates	Ultimate Loss Ratio
ICL	0.0%	30,896	18.8%
ICL	0.0%	9,309	4.1%
ICL	0.0%	60,989	37.2%
ICL	0.0%	14,120	6.2%
ICL	0.0%	1,097	0.5%
ICL	0.0%	3,828	1.5%
IBF	6.3%	7,147	3.0%

Selection	1.2000	1.1000	1.0500	1.0000	1.0000	1.0000	1.0000
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Abbreviations used: ICL- Chain Ladder using triangles of claims incurred amount; IBF- Bornhuetter-Fergusson using triangles of claims incurred amount; LR- Loss Ratio Method; and IEULR- Initial Expected Ultimate Loss Ratio.

27 REINSURANCE CONTRACT ASSETS/(LIABILITIES)

	Note 27(a) Life Ushs`000	Note 27(b) Non Life Ushs`000	2024 Total Ushs`000	Note 27(a) Life Ushs`000	Note 27(b) Non Life Ushs`000	2023 Total Ushs`000
Reinsurance contract liabilities	(140,566)	(1,095,024)	(1,235,590)	(402,240)	-	(402,240)
Reinsurance contract assets	-	-	-	41,838	802,048	843,886
Net closing balance	(140,566)	(1,095,024)	(1,235,590)	(360,402)	802,048	441,646

27(a)

Life Insurance

(i) Reinsurance Contract Liabilities

	Life Ushs`000	DAP Ushs`000	2024 Total Ushs`000	Life Ushs`000	DAP Ushs`000	2023 Total Ushs`000
At beginning of the year	402,240	-	402,240	465,139	-	465,139
Payments during the year	(261,674)	-	(261,674)	(62,899)	-	(62,899)
At 31 December	140,566	-	140,566	402,240	-	402,240

Reinsurance contract liabilities relate to amounts payable to reinsurers. The amounts are payable within 12 months after year end.

(ii) Reinsurance contract assets

The reconciliation for the reinsurance contracts assets for the life insurance reporting segment is as below

Analysis by remaining coverage and incurred claims - Contracts measured under the PAA

	Asset for remaining coverage		Asset for incurred claims		2024
	Excluding loss component Ushs'000	Loss recovery component Ushs'000	Estimate of present value of cash flows Ushs'000	Risk adjustment	Total Ushs'000
Opening balance at 1 January 2024	24,394	-	17,407	37	41,838
Changes that relate to the statement of profit or loss					
Allocation of reinsurance premiums paid	(24,394)	-	(17,407)	(37)	(41,838)
Amounts recoverable from reinsurers	-	-	-	-	-
Risk adjustment release	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses (PV)	-	-	-	-	-
Recoveries of incurred claims and other insurance service expenses (RA)	-	-	-	-	-
Amortization of insurance acquisition cash flows	-	-	-	-	-
Increase in existing incurred claims reserves:					
Increase in incurred claim asset (PV)	-	-	-	-	-
Increase in incurred claim asset (RA)	-	-	-	-	-
Release for incurred claims expected over the period	-	-	-	-	-
Total amounts recoverable from reinsurers	-	-	-	-	-
Net expenses from reinsurance contracts	(24,394)	-	(17,407)	(37)	(41,838)
Net finance income from reinsurance contracts	-	-	-	-	-
Total changes in the statement of profit or loss	(24,394)	-	(17,407)	(37)	(41,838)
Cashflows					
Premium received	-	-	-	-	-
Amounts received	-	-	-	-	-
Insurance acquisition cash flows	-	-	-	-	-
Total cashflows	-	-	-	-	-
Closing balance at 31 December 2024	-	-	-	-	-

(ii) Reinsurance contract assets

The reconciliation for the reinsurance contracts assets for the life insurance reporting segment is as below

Analysis by remaining coverage and incurred claims - Contracts measured under the PAA

	Asset for remaining coverage	Asset for incurred claims	2023		
	Excluding loss component Ushs'000	Loss recovery component Ushs'000	Estimate of present value of cash flows Ushs'000	Risk adjustment	Total Ushs'000
Opening balance at 1 January 2023	50,876	-	39,935	85	90,896
Changes that relate to the statement of profit or loss					
Allocation of reinsurance premiums paid	(86,409)	-	-	-	(86,409)
Amounts recoverable from reinsurers					
Risk adjustment release	-	-	-	(97)	(97)
Recoveries of incurred claims and other insurance service expenses (PV)	-	-	17,407	-	17,407
Recoveries of incurred claims and other insurance service expenses (RA)	-	-	-	37	37
Amortization of insurance acquisition cash flows	5,582	-	-	-	5,582
Increase in existing incurred claims reserves:					
Increase in incurred claim asset (PV)	-	-	-	-	-
Increase in incurred claim asset(RA)	-	-	-	-	-
Release for incurred claims expected over the period	-	-	(39,935)	-	(39,935)
Total amounts recoverable from reinsurers	5,582	-	(22,528)	(60)	(17,006)
Net expenses from reinsurance contracts	(80,827)	-	(22,528)	(60)	(103,415)
Net finance income from reinsurance contracts	-	-	-	12	12
Total changes in the statement of profit or loss	(80,827)	-	(22,528)	(48)	(103,403)
Cashflows					
Premium received	59,927	-	-	-	59,927
Amounts received	-	-	-	-	-
Insurance acquisition cash flows	(5,582)	-	-	-	(5,582)
Total cashflows	54,345	-	-	-	54,345
Closing balance at 31 December 2023	24,394	-	17,407	37	41,838

Non Life Insurance

Reinsurance Contract Liabilities

Reinsurance contract (liabilities)/assets

2024

Net opening balance

Allocation of premium paid

Allocated premium paid

Amounts recovered from reinsurance

Risk adjustment release gross

New claims Incurred over the period (PV)

New claims incurred over the period (RA)

Amortisation of insurance acquisition cashflows

Increase in incurred claim liability (PV)

Increase in incurred claim liability (RA)

Claims and expenses paid

Release for incurred claims expected over the period

Loss recovery component start (PAA)

Total income from reinsurance

Insurance finance income or expense

Interest expense on present value of incurred claims reserves

Interest expense on risk adjustment of incurred claims reserves

Discount rate change on present value of incurred claims reserves

Discount rate change on risk adjustment of incurred claims reserves

Total reinsurance finance income

Total changes in the statement of profit or loss

Actual cashflows within the period

Premiums paid

Claims & other expenses paid

Acquisition cash flows received

Total cash flows

Closing net balance

Liability for remaining Coverage		Liability for incurred claims		
Excl loss component	Loss Component	Estimates of PV of future	Risk adjustment for non-financial risk	Total
Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
(378,312)	-	1,038,767	126,639	802,048
(12,729,544)	-	-	-	(12,729,544)
(12,729,544)	-	-	-	(12,729,544)
-	-	-	(99,557)	(99,557)
-	-	1,688,505	-	1,688,505
-	-	-	244,833	244,833
2,143,747	-	-	-	2,143,747
-	-	(1,594,622)	-	(1,594,622)
-	-	-	(231,220)	(231,220)
-	-	1,188,037	-	1,188,037
-	-	(654,185)	-	(654,185)
-	(12,408)	-	-	(12,408)
2,143,747	(12,408)	627,735	(85,944)	2,673,130
-	-	-	-	-
-	-	73,133	-	73,133
-	-	-	14,437	14,437
-	-	15,849	-	15,849
-	-	-	2,298	2,298
-	-	88,982	16,735	105,717
(10,585,797)	(12,408)	716,717	(69,209)	(9,950,697)
11,084,927	-	-	-	11,084,927
-	-	(1,188,037)	-	(1,188,037)
(1,843,265)	-	-	-	(1,843,265)
9,241,662	-	(1,188,037)	-	8,053,625
(1,722,447)	2,546	567,447	57,430	(1,095,024)

Non Life Insurance

Reinsurance Contract Liabilities

	Liability for remaining Coverage		Liability for incurred claims		Total
	Excl loss component	Loss Component	Estimates of PV of future	Risk adjustment for non-financial risk	
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Reinsurance contract (liabilities)/assets					
2023					
Net opening balance	(763,741)	10	614,317	87,702	(61,712)
Allocation of premium paid					
Allocated premium paid	(11,439,743)	-	-	-	(11,439,743)
	(11,439,743)	-	-	-	(11,439,743)
Amounts recovered from reinsurance					
Risk adjustment release gross	-	-	-	(89,720)	(89,720)
New claims Incurred over the period (PV)	-	-	2,234,271	-	2,234,271
New claims incurred over the period (RA)	-	-	-	326,204	326,204
Amortisation of insurance acquisition cashflows	1,941,944	-	-	-	1,941,944
Increase in incurred claim liability (PV)	-	-	(1,433,302)	-	(1,433,302)
Increase in incurred claim liability (RA)	-	-	-	(209,263)	(209,263)
Claims and expenses paid	-	-	1,044,167	-	1,044,167
Release for incurred claims expected over the period	-	-	(421,316)	-	(421,316)
Loss recovery component start (PAA)	-	14,944	-	-	14,944
Total income from reinsurance	1,941,944	14,944	1,423,820	27,221	3,407,929
Insurance finance income or expense					
Interest expense on present value of incurred claims reserves	-	-	33,033	-	33,033
Interest expense on risk adjustment of incurred claims reserves	-	-	-	9998	9998
Discount rate change on present value of incurred claims reserves	-	-	11,764	-	11,764
Discount rate change on risk adjustment of incurred claims reserves	-	-	-	1718	1,718
Total reinsurance finance income	-	-	44,797	11,716	56,513
Total changes in the statement of profit or loss	(9,497,799)	14,944	1,468,617	38,937	(7,975,301)
Actual cashflows within the period					
Premiums paid	12,040,103	-	-	-	12,040,103
Claims & other expenses paid	-	-	(1,044,167)	-	(1,044,167)
Acquisition cash flows received	(2,156,875)	-	-	-	(2,156,875)
Total cash flows	9,883,228	-	(1,044,167)	-	8,839,061
Closing net balance	(378,312)	14,954	1,038,767	126,639	802,048

28. INVESTMENT CONTRACT LIABILITIES

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
Payable under deposit administration plan (DAP)	4,233,966	-	4,102,127	-
(Note Managed funds (Note 28(a)))	420,742	-	666,462	-
	4,654,708	-	4,768,589	-

a) Managed Funds

	2024	2023
At 1st January	666,462	641,740
Net Interest	29,590	30,902
Withdrawal	(275,310)	(6,180)
	420,742	666,462

The amount above relates to funds managed by NIC on behalf of its clients. They attract a minimum guaranteed interest of 5% per annum and has been included in the financial statements. The managed funds are pooled together with all other investments in the company and are not segregated. The company invests the funds in treasury bills and bonds, and fixed deposits.

	2024 (Ushs'000)	2023 (Ushs'000)
b) Payables under Deposit Administration		
As at 1 January	4,102,127	4,482,778
Surrenders and Annuities Paid	(244,055)	(342,928)
Pension Payments	(4,898)	(8,144)
Fund Remittances	(300,000)	(400,108)
Guaranteed Interest	374,197	282,199
Exchange differences	(30,891)	(13,812)
Admin charges	(3,986)	(3,738)
Other Mov'ts (Prior year Adjustment)	(7,526)	-
Outstanding Claims	348,998	105,880
As at 31 December	4,233,966	4,102,127

The DAP liabilities are long term liabilities and as such had been invested in long term assets (Real estates). Since 2019, there have been no new contributions, as the funds are being run down. There was therefore no basis to match the liabilities to short term assets. All the short-term assets are transferred to life business

29. OTHER PAYABLES & SUNDRY CREDITORS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
VAT payable	6,213,648	623,514	4,219,961	617,761
Accrued expenses	2,277,934	10,681	1,375,958	4,583
Tenant deposits	804,873	549,224	2,030,317	1,916,836
Lease Liability****	498,045	-	992,852	-
Audit fees	116,493	-	261,752	-
Contributions to COMESA*	22,120	-	143,505	-
Staff retirement benefits	4,467,795	-	3,709,134	-
Sundry creditors**	8,070,208	27,885	8,577,472	31,769
Inter-company****	-	666,338	-	193,036
	22,471,116	1,877,642	21,310,951	2,763,985

*COMESA refers to "The Common Markets for East and Southern Africa". Refer to Note 43 for more details.

**Included in the figure for Sundry Creditors are provision for employee terminal other statutory payables.

***The inter-company balances between the life and general subsidiaries have been presented under this note and netted off, as contractually agreed within the Group.

****Lease Liability

The analysis of lease liability included in other payables and sundry creditors is as follows:

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	992,852	-	1,176,724	-
New Leases	75,744	-	277,956	-
Terminated Leases	-	-	(19,100)	-
Foreign Exchange differences	-	-	(5,761)	-
Lease interest	78,280	-	122,187	-
Payment of interest on lease liabilities	(78,280)	-	(122,186)	-
Payment of lease liabilities – principal	(570,551)	-	(436,968)	-
At 31 December	498,045	-	992,852	-
Current lease liability (within 1 year)	305,380	-	524,116	-
Non-current lease liability (More than 1 year but less than 5	192,665	-	468,736	-
At 31 December	498,045	-	992,852	-

30. DIVIDEND PAYABLE

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	1,349,104	1,349,104	593,992	593,992
Declared dividend	-	-	1,830,750	1,830,750
Dividend paid	(5,079)	(5,079)	(1,075,638)	(1,075,638)
At 31 December	1,344,025	1,344,025	1,349,104	1,349,104

The amount above relates to dividends payable to shareholders for previous years.

31. LOANS AND BORROWINGS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	5,539,560	5,022,387	11,184,732	11,184,732
Received	4,050,000	3,500,000	514,408	-
Interest accrued	634,795	583,796	1,350,403	1,347,638
Interest paid	(778,334)	(724,570)	(1,127,006)	(1,127,006)
Repayment	(3,191,968)	(2,127,560)	(6,382,977)	(6,382,977)
At 31 December	6,254,053	6,254,053	5,539,560	5,022,387

NIC Holdings limited obtained a loan of Ushs 12.6 billion from Guaranty Trust Bank (Uganda) Limited for 2 years at a fixed rate of 18% per annum and the repayments are done on quarterly basis. The loan was pledged against the investment property at plot 13B, Kampala road. The fair value for the loans and borrowings approximate its carrying amount. Outstanding loan balance as at 31 December 2024 is Ushs 6.25 billion inclusive of Ushs 3.47 billion (Note 31(i)) outstanding balance on overdraft facility of Ushs 3.5 billion secured from United Bank for Africa (Uganda) Limited.

31(i) BANK OVERDRAFT RECONCILIATION

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	5517,173	-	-	-
Received	4,050,000	3,500,000	514,408	-
Accrued interest	58,605	7,606	2,765	-
Repayment- interest	(61,370)	(7,606)	-	-
Repayment- principal	(1,091,072)	(26,664)	-	-
At 31 December	3,473,336	3,473,336	517,173	-

32(a) SHARE CAPITAL

	2024 Ushs'000	2023 Ushs'000
Authorized:		
At 1 January		
2,000,000,000 ordinary shares of Ushs 5 each.	15,000,000	15,000,000
Additional ordinary shares	-	-
	<u>15,000,000</u>	<u>15,000,000</u>

Issued and fully paid:

2,123,669,577 (31 December 2023: 2,123,669,577) ordinary shares of Ushs 5 each.

	2024 Ushs'000	2023 Ushs'000
At 1 January	10,618,348	10,618,348
Rights issue ordinary shares	-	-
At 31 December	<u>10,618,348</u>	<u>10,618,348</u>

At the 20th AGM, shareholders approved the issuance of bonus shares in the ratio of 1(One) new shares for every 2(Two) shares respectively held by each shareholder on 17th June 2022. The bonus increased the Group's paid up share capital from Ushs 7,078,898,590 (Seven billion, seventy eight million, eight hundred and ninety eight thousand, five hundred and ninety Uganda shillings) to Ush 10,618,346,475 (Ten billion, six hundred and eighteen million, three hundred and forty six thousand, four hundred and seventy five Uganda shillings)

32(b) Share premium

	2024 Ushs'000	2023 Ushs'000
At 1 January	67,417	67,417
Transfer to share capital (allotted bonus ordinary shares)	-	-
At 31 December	<u>67,417</u>	<u>67,417</u>

33. STATUTORY RESERVES

The movement in the statutory reserves is outlined in the consolidated statement of changes in equity. These comprise:

a) Contingency reserves*

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	-	-	6,868,957	-
Transfer from retained earnings	-	-	(6,868,957)	-
At 31 December	-	-	-	-

*For short term insurance business, section 47.2(c) of the Ugandan Insurance Act Cap. 192 and in line with Section 48 of the same Act, requires an annual transfer to contingency reserves equal to 2% of the gross premiums or 15% of the net profit whichever is greater, until the reserve accumulates to the minimum paid up capital or 50% of the net premium whichever is greater.

For long-term insurance business, section 47.3(b) of the Ugandan Insurance Act Cap 192 and in line with Section 48 of the same Act requires a contingent reserve worth 1% of the gross premiums written.

b) Capital reserves*

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	-	-	2,661,522	-
Transfer from retained earnings	-	-	(2,661,522)	-
At 31 December	-	-	-	-

*Section 6.4 of the Ugandan Insurance Act Cap. 192 and in line with same Act, requires every insurer to transfer from its profits, before any dividend is declared and after provision has been made for taxation, a sum of 5% of the profits, to be paid-up capital of the insurer to facilitate capital base growth.

34. OTHER CAPITAL CONTRIBUTION

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	1,555,000	1,555,000	710,000	-
Addition during the year	360,000	360,000	845,000	1,555,000
At 31 December	1,915,000	1,915,000	1,555,000	1,555,000

At the 21st Annual General Meeting (AGM) held on 14th July, 2022, shareholders approved a resolution authorizing the Board of Directors to increase the Company's paid-up share capital from Ushs 10,618,347,885/- to any amount up to Ushs30,226,191,025/- by the creation of new Ordinary shares of Ushs5/- (Five Uganda Shillings) per share to be offered concurrently to the existing shareholders of the Company and to any interested member of the public at a price to be determined by the Board.

As a sign of it's commitment to the success of the approved capital raise, Industrial and General Insurance Plc (IGI) the majority shareholder made a deposit towards payment for shares it would be allotted. Deposits made as at 31 December 2024 amounted to Ushs 1.915 billion.

35. RETAINED EARNINGS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	27,388,404	1,664,217	22,316,022	(549,722)
Profit/(loss) after tax for the year	477,204	(297,597)	(2,378,957)	1,009,175
Dividend declared	-	-	(2,123,670)	(2,123,670)
IFRS 16 reinstatements	133,260	-	-	-
Transfer from/(to) contingency reserves	-	-	6,868,957	-
Transfer from/(to) capital reserves	-	-	2,661,522	-
Transfer from fair value reserve for disposed un-quoted shares	-	-	44,530	-
At 31 December	27,998,868	1,961,814	27,388,404	1,664,217

*Section 6.4 of the Ugandan Insurance Act Cap. 192 and in line with Section 48 of the same Act, requires every insurer to transfer from its profits, before any dividend is declared and after provision has been made for taxation, a sum of 5% of the profits, to be paid-up capital of the insurer to facilitate capital base growth.

36. FAIR VALUES RESERVES

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	100,968	-	10,866	-
Addition during the year	(294,879)	-	134,632	-
Fair value reserve for disposed unquoted	-	-	(44,530)	-
At 31 December	(193,911)	-	100,968	-

This reserve relates to accumulated fair value gains on financial assets at fair value through other comprehensive income net of applicable deferred taxes. The reserve is available for distribution upon disposal of underlining as- sets.

36. ASSET REVALUATION RESERVE

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
At 1 January	1,160,767	-	944,355	-
Addition during the year	135,922	-	216,412	-
At 31 December	1,296,689	-	1,160,767	-

This reserve relates to accumulated revaluation gains on land and building in property and equipment carried using re-valuation model net of applicable deferred taxes. The reserve is available for distribution upon disposal of underlin- ing assets.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASHFLOWS

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
OPERATING ACTIVITIES				
Profit/(loss) before taxation	947,192	(217,093)	(2,346,852)	1,103,319
Adjustments for:				
Depreciation on property and equipment and right-of-use assets	1,037,167	-	1,010,510	-
Amortisation	33,201	-	122,186	-
Finance cost (Interest on lease liability)	78,280	583,796	1,350,403	1,347,638
Finance cost (Interest on loans and borrowings)	634,795	-	282,199	-
Finance cost (Interest on DAP)	374,197	-	30,902	-
Finance cost (Interest on Managed Funds)	29,590	-	629,856	-
Fair value losses on Fair Value through Profit or Loss	601,335	-	(682,134)	122,237
Fair value (gains)/loss on investment properties	(5,001)	-	-	-
Fair value (gain)/loss on PPE	(33,676)	-	(283,123)	2,339
Gain on sale of investment property	-	-	-	-
Loss on disposal of unquoted shares	2,490	-	-	-
Gain on disposal of property and equipments- Right-of-use of asset	(48,419)	-	(39,321)	-
Gain on disposal of property and equipments	(31,000)	-	420	-
Exchange loss/(gain)	-	-	(234,189)	(2,123,670)
Dividend received	(97,267)	19,057	42,813	65
Decrease in ECL- Cash and cash equivalents	(19,093)	-	507,298	-
(Decrease)/Increase in impairment loss provision on premium receivables	(1,352,188)	(5,575)	(11,104)	1,155
(Decrease)/Increase in ECL- Other Receivables & prepayments	208,890	-	(138,078)	-
Increase in ECL- Financial assets at amortised cost	80,171	-	(68)	-
Increase in ECL- Statutory deposit amortised cost	(7)	-	(2,074,197)	(408)
Interest income on fixed deposits & treasury bills	(1,243,770)	380,185	(1,779,265)	452,675
	1,196,887	380,185	(1,779,265)	452,675

	2024 (Ushs'000)		2023 (Ushs'000)	
	Group	Company	Group	Company
	380,185	380,185	(1,779,265)	452,675
Movements in working capital				
Decrease/(increase) in other receivables and prepayments	26	156,542	(349,762)	516,865
Decrease/(increase) in reinsurance assets	20	41,838	-	(814,702)
Increase/(decrease) in reinsurance contract liabilities	30	1,635,398	-	(62,899)
Increase / (decrease) in other payables & accruals	31	2,726,106	(886,343)	(1,534,521)
Decrease in amounts payable under deposit administration contracts	29	(548,953)	-	(768,730)
Increase in managed funds	36	(275,310)	-	(6,180)
Change in insurance contract liabilities & unearned premium reserves	28	(6,899,609)	-	1,255,078
	-	-	-	-
Cash (used in)/generated from in operations	(1,967,101)	(855,920)	(3,194,354)	1,206,513

34. RELATED PARTIES

The following are the Groups' related parties:

-	Industrial and General Insurance Plc (IGI)	-	holding company
-	NIC General Insurance Company	-	wholly owned subsidiary
-	NIC Life Assurance Company Limited	-	wholly owned subsidiary

Related party transactions related to the group

	2024 Ushs'000	2023 Ushs'000
a) Amounts due from/(to) related parties		
Industrial and General Insurance Company Plc (IGI)*	9,859	2,049
	9,859	2,049

*This balance relates to technical assistance and commitment (TACA) offered by IGI Plc to the Group, as per the contract signed between the two parties worth \$100,000 annually and approved by the Insurance Regulatory Authority (IRA). Agreed on support services included but not limited to; training in management of the life and pension business, provision of actuarial needs, and technology advancements. The amounts due to IGI Plc is payable on demand and has no interest bearing.

b) (i) Compensation of key management personnel

	2024	2023
	Ushs'000	Ushs'000
Directors fees- Short-term benefits	627,695	691,864
Salaries and other short-term benefits - Local	2,909,884	2,772,969
Salaries and other short-term benefits - expatriates	2,188,835	2,197,335
NSSF Contributions- Post employment benefits*	516,310	497,400
Terminal benefits- Other long term benefits**	572,276	1,479,572
	6,815,000	7,639,140

b) (ii) Receivable from key management personnel

Short-term loan to key management personnel***	107,268
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*NSSF contributions are statutory payments made to The National Social Security Fund (NSSF Uganda) as required by National Social Security Fund Act, Cap 222 (Laws of Uganda). The company makes 10% contribution while the employee makes 5% contribution to the scheme.

**This is per the company's Human Resource Manual, for permanent staff who have served more than 3 years as permanent staff in the company. This is accrued annually and paid upon staff's exit if eligible, without any interest on accrued amount. The terminal benefits (service gratuity) shall be equivalent to one month's gross pay times the number of completed years served as permanent staff in the company.

***Short-term loans are secured by the terminal benefits of the staff taking the loan, and are advanced following appropriate reviews and approvals in line with the company's Human Resource Policy. All the short-term loans to key management form part of staff loans under Note which are payable within twenty four (24) months at an annual effective interest rate of 14.5%. No ECL was recognised since the loans are fully covered by respective staff terminal benefits.

In the prior period, the short term loan was presented under compensation of key management personnel. This has been amended in the current period and presented as a Receivable from key management personnel.

Related party transactions related to NIC Holdings

	2024	2023
	Ushs'000	Ushs'000
c) Related party transactions		
Technical Assistance and Commitment (TACA) fee to IGI*	360,428	360,428
Transfer of shares to NIC Life by NIC General**	1,179,899	
Transfer of property by NIC Life Assurance Co. Ltd. to NIC General Insurance Co. Ltd.**	1,493,333	-
Group Life premium paid by NIC General Insurance Co. Ltd. to NIC Life Assurance Co. Ltd.***	112,616	189,785
Assets insurance premium paid by NIC Life Assurance Co. Ltd. to NIC General Insurance Co. Ltd.****	126,011	89,491
Net rental income to NIC General Insurance Company Ltd. from NIC Life Assurance Co. Ltd.*****	172,319	495,381

*Technical Assistance and Commitment (TACA) fees to IGI- refer to additional information to note 39(a) above.

** In line with implementation of group-wide investment assets restructuring approved by the Board, NIC General Insurance company Limited (NIC General), in addition to cash payment, transferred its' African Re shares to NIC Life Assurance Company Limited (NIC Life) as consideration for additional 8% ownership of NIC Life's Plot 24 Jinja Road property.

***NIC General procured group life assurance cover for its' staff from NIC Life at the normal premium charged to other clients.

****NIC Life procured various insurance covers for its' building, vehicles and other assets from NIC General at the normal premium charged to other clients.

*****NIC Life occupies an office space in one of NIC General's building and pays quarterly rent at the same charge-out rate as other tenants.

40. CONTINGENT LIABILITIES

In the ordinary course of business, the Group is subjected to litigation arising in the normal course of insurance contracts. The Directors are of the opinion that any outstanding litigation in this respect will not have a material effect on the financial position or results of the Group. The aggregate contingent liability in respect of such cases as at 31 December 2024 amounts to Ushs 812.619 million (2023: Ushs 2.237 billion).

41. RETIREMENT BENEFIT OBLIGATIONS

The Group contributes to a pension plan established for the benefit of the employees. The plan is a defined contribution scheme, whereby the Company contributed to the fund 10% of the employee's consolidated annual salary. This plan was maintained until 31 July 2019 when the company commenced mandatory contribution to National Social Security Fund (NSSF). The company has put in place necessary arrangement to transfer accumulated fund under the old pension plan. During the year, Ushs 516 million (2023: Ushs 455 million) was charged to the consolidated statement of profit or loss and other comprehensive income.

40. DEALING AS A NATIONAL BUREAU

NIC Holdings Limited (Formerly National Insurance Corporation Limited) was appointed by the Government of Uganda to act as a National Bureau of The Common Markets for East and Southern Africa (COMESA) yellow card scheme in Uganda. The Company was also designated the National Surety for Regional Customs Transit Guarantee Scheme. In line with COMESA protocols, the Company has been discharging the functions of National Bureau and National Surety of the COMESA schemes.

Following a directive issued by the Honorable Minister of Trade, Industry and Cooperatives which redesignated Uganda Reinsurance Company Limited as the Uganda COMESA National Bureau for management of COMESA Yellow Card and Regional Custom Transit Guarantee Scheme, the company assumed its responsibility as the new COMESA National Bureau with effect from 1 January 2020.

The company, as the former COMESA National Bureau, continue to handle claims for policies inception in periods prior to 1 January, 2020.

43. ULTIMATE HOLDING COMPANY

The ultimate holding company of NIC Holdings Limited is Industrial and General Insurance Plc (IGI), a company registered and incorporated in the Federal Republic of Nigeria. IGI owns 64.95% shares of NIC Holding Company Limited.

44. EVENTS AFTER THE REPORTING DATE

There is no event after the reporting date that will have any material impact on the financial statements.

45. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or

Group As at 31 December 2024	months Ushs'000	After 12 Months Ushs'000	Total Ushs'000
ASSETS			
	1,055,893	-	1,055,893
Cash and cash equivalents balances	2,248,283	-	2,248,283
Other receivables and prepayments			
Financial Assets:			
-Fair value through Profit or loss	-	1,970,496	1,970,496
-At fair value through other comprehensive income	-	4,138,470	4,138,470
-At amortized cost	12,405,042	-	12,405,042
Statutory deposits at amortised cost	1,199,857	-	1,199,857
Investment properties	-	55,740,100	55,740,100
Property and equipment and right of use asset	-	12,678,668	12,678,668
Intangible Assets	-	-	-
TOTAL ASSETS	16,909,075	74,527,734	91,436,809
LIABILITIES			
Loans and borrowings	6,254,053	-	6,254,053
Other payables and accruals and lease liabilities	14,947,470	7,523,646	22,471,116
Income tax payable	826,835	4,076,594	4,903,429
Dividend payable	1,344,025	-	1,344,025
Insurance contract liabilities	6,804,038	-	6,804,038
Reinsurance contract liabilities	1,235,590	-	1,235,590
Investment contract liabilities	4,654,708	-	4,654,708
Deferred tax liabilities	-	2,067,439	2,067,439
TOTAL LIABILITIES	36,066,719	13,667,679	49,734,398
NET ASSETS	(19,157,644)	60,860,055	41,702,411

Group	months	After 12 Months	Total
As at 31 December 2023	Ushs'000	Ushs'000	Ushs'000
ASSETS			
Cash and cash equivalents balances	2,468,364	-	2,468,364
Other receivables and prepayments	2,508,725	-	2,508,725
Reinsurance Contract assets	843,886	-	843,886
Financial Assets:			
-Fair value through Profit or loss	-	2,571,831	2,571,831
-At fair value through other comprehensive income	-	6,259,772	6,259,772
-At amortized cost	6,806,923	4,698,461	11,505,384
Statutory deposits at amortised cost	724,230	483,635	1,207,865
Investment properties	-	55,735,099	55,735,099
Property and equipment and right of use asset	-	13,403,939	13,403,939
Intangible Assets	-	62,028	62,028
TOTAL ASSETS	13,352,128	83,214,765	96,566,893
LIABILITIES			
Loans and borrowings	5,539,560		5,539,560
Other payables and accruals and lease liabilities	16,803,396	4,507,555	21,310,951
Income tax payable	4,640,340	-	4,640,340
Dividend payable	1,349,104	-	1,349,104
Insurance contract liabilities	12,446,262	2,609,573	15,055,835
Reinsurance contract liabilities	402,240		402,240
Investment contract liabilities	3,961,549	807,040	4,768,589
Deferred tax liabilities	-	2,609,370	2,609,370
TOTAL LIABILITIES	45,142,451	10,533,538	55,675,989
NET ASSETS	(31,790,323)	72,681,227	40,890,904

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or

COMPANY	months	After 12 Months	Total
As at 31 December 2024	Ushs'000	Ushs'000	Ushs'000
ASSETS			
Cash and bank balances	97,276	-	97,276
Other receivables and prepayments	2,034,777	-	2,034,777
Investment in subsidiaries	-	10,685,765	10,685,765
Investment properties	-	7,350,000	7,350,000
TOTAL ASSETS	2,132,053	18,035,765	20,167,818
LIABILITIES			
Other payables and accruals and lease liabilities	1,877,642	-	1,877,642
Income tax payable	53,147	-	53,147
Dividend payable	1,344,025	-	1,344,025
Loans and borrowings	-	-	-
TOTAL LIABILITIES	3,274,814	-	3,274,814
NET ASSETS	(1,142,761)	18,035,765	16,893,004

COMPANY As at 31 December 2023	months Ushs'000	After 12 Months Ushs'000	Total Ushs'000
ASSETS			
Cash and bank balances	11,214	-	11,214
Other receivables and prepayments	1,729,440	-	1,729,440
Investment in subsidiaries	-	10,685,765	10,685,765
Investment properties	-	7,350,000	7,350,000
TOTAL ASSETS	<u>1,740,654</u>	<u>18,035,765</u>	<u>19,776,419</u>
LIABILITIES			
Other payables and accruals and lease liabilities	2,763,985	-	2,763,985
Income tax payable	64,395	-	64,395
Dividend payable	1,349,104	-	1,349,104
Loans and borrowings	5,022,387	-	5,022,387
Deferred tax liabilities	-	-	-
TOTAL LIABILITIES	<u>9,199,871</u>	<u>-</u>	<u>9,199,871</u>
NET ASSETS	<u>(7,459,217)</u>	<u>18,035,765</u>	<u>10,576,548</u>



NIC HOLDINGS LIMITED : PROXY FORM



24TH VIRTUAL ANNUAL GENERAL MEETING OF NIC HOLDINGS LIMITED TO BE HELD ON THURSDAY, 26TH JUNE, 2025 AT 2.00PM

	RESOLUTION	FOR	AGAINST
NIC Holdings Limited I /We _____ of _____ being a Member/Members of the above-named Company hereby appoint _____ of _____ and mobile number or failing him/her, _____ of _____ or failing him/her, the Chairman of the meeting. as my/our Proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 26th day of June, 2025 and at any adjournment thereof. Signed this _____ day of _____ 2025 Member's Signature: _____	1. To lay before the members the financial statements for the year ended 31st December 2024 together with the reports of the Directors thereon. 2. To re-elect or elect Directors in place of the following Directors who shall be retiring (i) Dr. Alan Shonubi (Chairman) as Independent Non-Executive Director (ii) AVM Walter Ogujiofor (Rtd) as a Non-Executive Director 3. To ratify the following Board Appointments: - (i) Mr. Akinlolu Akinyele as a Non-Executive Director (ii) Mr. Bayo Folayan (former Managing Director) as a Non-Executive Director (iii) Mr. Elias Edu as the Managing Director 4. To re-appoint Messrs. BDO East Africa Certified Public Accountants as external auditors of the Company for the year ending 31st December, 2025 and to authorize Directors to determine their remuneration. 5. To approve the remuneration of Directors:		
	Please indicate with an "X" in the appropriate space above how you wish your vote to be cast on the resolutions. Unless otherwise so indicated, the proxy will vote or abstain from voting at his discretion.		
	<u>IF YOU ARE UNABLE TO ATTEND THE MEETING</u> A member who is unable to attend an Annual General Meeting or an Extra Ordinary General Meeting is allowed by law to vote by proxy and this Proxy form has been prepared to enable the member to exercise his/her right to vote in case he/she is unable to personally attend the meeting.		

	IMPORTANT (a) The name of the Member should be written in BLOCK CAPITALS where marked. Please stamp and sign the proxy form if you are not attending the Meeting, and forward so as to reach the Office of the Company Secretary, NIC Holdings Limited, Plot 3 Pilkington Road, P. O. Box 7134, Kampala, Uganda (Email: eedu@nic.co.ug), not less than 48 hours before the time fixed for holding the meeting. If executed by a Company, the proxy form should be sealed with the Company Seal. (b) In the case of Joint Shareholders, any one of such may complete the form but the names of all Joint Shareholders must be stated. (c) If the shareholder is a corporation, this form must be under its common seal or under the hand of its officer or attorney duly authorized in that regard.
INFORMATION ON HOW TO PARTICIPATE AT THE AGM: i) The Board of Directors has approved that the 24 th Annual General Meeting of the Company shall be convened virtually in line with Article 33, Articles of Association of the Company. ii) Any shareholder wishing to participate in the meeting should register for the Annual General Meeting (AGM) by dialing *284*51# (Uganda networks) and *483*493# (Kenya networks) on their mobile telephones and following the various prompts until they are registered to attend. To be registered for the AGM, shareholders may also send email to nicagm@image.co.ke. A shareholder/proxy will require the ID/Passport number which was used to purchase shares and/or their SCD Account number. A link to the registration portal shall also be emailed to every shareholder using the email addresses or sent by sms to the telephone numbers already registered in the database of the Company and/or its Registrars. For assistance, shareholders should call the following helplines (256 762 260 804/+256 758 336 660) between 9.00 am and 5.00pm EAT Monday to Friday or send email to nicagm@image.co.ke; eedu@nic.co.ug. iii) Registration for the AGM opens on 30th May, 2025 and will close on 24th June, 2025 at 5.00pm (Kampala time). iv) A Member of the Company entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not also be a Member. For the appointment to be valid, a completed proxy form must be deposited or emailed to the Company Secretary, NIC Holdings Limited, Plot 3 Pilkington Road, P. O. Box 7134, Kampala, Uganda (Email: eedu@nic.co.ug), not less than 48 hours before the time fixed for holding the meeting. v) The Proxy form and other documents for the AGM may be downloaded from the Company's website www.nic.co.ug. vi) All shareholders and proxies who have successfully registered to attend the AGM will be able to follow the meeting proceedings and participate using the live stream platform. vii) By registering to attend the virtual AGM, shareholders consent to receive all messages about the meeting. viii) Shareholders are encouraged to update their contact details on the register. For assistance in this regard, shareholders may contact the Company's share registrar, SCD Registrars on telephones +256-312-370815/17/18 and / or email: registry@use.or.ug PLEASE ADMIT or his/her Proxy..... to the Annual General Meeting of NIC Holdings Limited which will be held on Thursday, the 26th day of June, 2025 at 2.00pm.  Name of Shareholder Number of Shares held Signature of Shareholder Signature of Proxy (where applicable) Note: This Admission Card should be signed, scanned and emailed to nicagm@image.co.ke ; eedu@nic.co.ug by the Shareholder or his/her Proxy in order to facilitate the registration of the participant at the 24th Annual General Meeting.	



It's More Than Just a Policy ...

We value and understand your need.

It's school fees management



it's worry-free shipping



It's that beautiful family home



That dream car



It's that BIG project



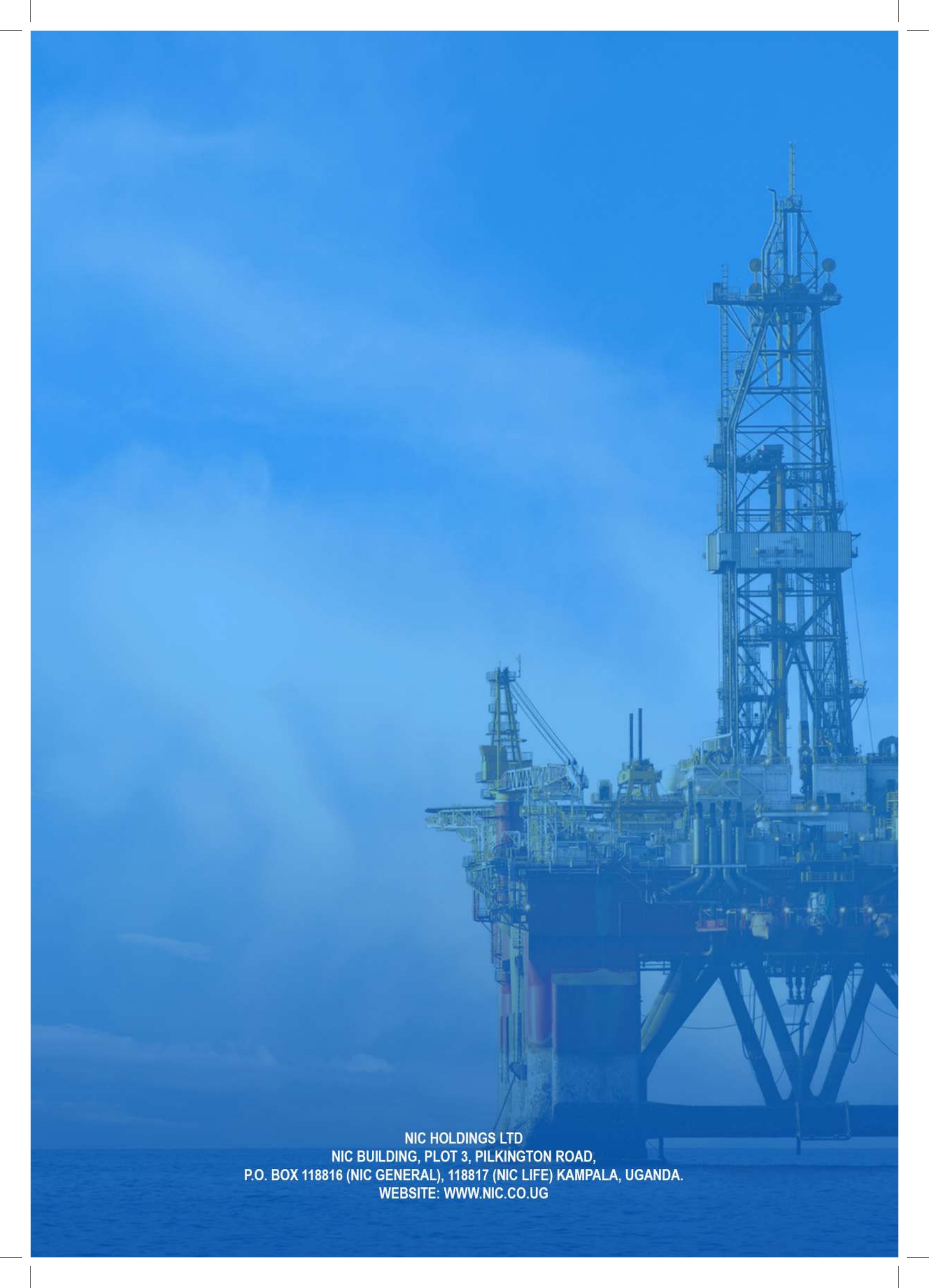
**Oli
insured?**

Get in touch for
any inquiries

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